

A SocioEconomic Profile

United States

Economic Profile System (EPS)



Produced by the
Sonoran Institute's
Economic Profile System (EPS)

November 30, 2005

About The Economic Profile System (EPS)

This profile was produced using the Economic Profile System (EPS). EPS is designed to allow any user to automatically and efficiently produce a detailed socio-economic profile using the spreadsheet program Microsoft Excel. This profile contains tables and figures that illustrate long-term trends in population; employment and personal income by industry; average earnings; business development; retirement and other non-labor income; commuting patterns; and agriculture. Databases used for EPS profiles are from: Bureau of the Census, County Business Patterns, Bureau of Labor Statistics, and the Regional Economic Information System (REIS) of the Bureau of Economic Analysis, U.S. Department of Commerce.

EPS was developed in partnership with the Bureau of Land Management as a tool to assist public land managers, planners, elected officials, and citizens. EPS, databases for the entire country, the User's Manual, and a related PowerPoint demonstration are available for free from the Sonoran Institute at: www.sonoran.org/eps. For more information about EPS or to request a training workshop please contact: ray@sonoran.org or ben@sonoran.org.

About The Sonoran Institute

A nonprofit organization established in 1990, the Sonoran Institute brings diverse people together to accomplish their conservation goals. The Institute works with communities to conserve and restore important natural landscapes in western North America, including the wildlife and cultural values of these lands. The lasting benefits of the Sonoran Institute's work are healthy landscapes and vibrant communities that embrace conservation as an integral element of their quality of life and economic vitality.

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There are two related systems for producing socioeconomic profiles: the Economic Profile System (EPS) and the Economic Profile System Community (EPSC). For best results, use both profile systems. Below is a table highlighting how the two systems complement each other.

	EPS	EPSC
Geographic level of detail	Nation Region (metro, non-metro, total) State (metro, non-metro, total) County	Nation, Region, Division, States, Counties, County Subdivisions, Places (Towns), Indian Reservations, Congressional Districts
Databases used	Bureau of the Census (Census) County Business Patterns (CBP) Bureau of Labor Statistics (BLS) Bureau of Economic Analysis (BEA), Regional Economic Information System (REIS)	Bureau of the Census, Decennial Census of Population and Housing, 1990, 2000. (1990 to 2000 comparisons at the county level only)
Time series used	Continuous data from 1970 to as close to the present as possible.	2000. At the county level only 1990 to 2000 comparisons can be made to show changes in age and household income distribution.
Advantages	Long-term trend analysis; changes in employment and personal income by sector, change of businesses establishments by type and size, and non-labor sources of income, like retirement and age-related income. Counties are compared to states and nation.	Age distribution, race, housing costs, housing affordability, education rates, poverty. Finer geographic detail. Allows comparisons to user-selected 'benchmark' areas.
Disadvantages	For some counties employment and personal income data may be suppressed for some industries and for some years. EPS includes a system for estimating these data gaps, and a chapter in the EPS User's Manual profiles step-by-step instructions.	Census data is not suppressed, but it is less useful than REIS data used in EPS for long-term trends by industry; it is only available only for 2000.

Important notes:

- 1) Total employment figures from the Bureau of the Census (used in EPSC) and the Regional Economic Information System (used in EPS) can differ for the following reasons:
 - Census employment figures are reported by place of residence, while BEA REIS figures are by place of work.
 - BEA REIS counts all jobs, regardless of whether part-time or whether a person has several jobs. For example, if a person has three part-time jobs, they count it as three jobs.
 - In some areas seasonality may play a role: the census is taken in the spring, a shoulder season for many "resort" areas, while BEA REIS data is an annual average.
- 2) Tables and charts may be copied from Excel into any other program, like Word or PowerPoint: highlight the selection, choose copy from the edit menu, then open Word or PowerPoint and insert by choosing "Paste Special" in the Edit Menu. We recommend that you paste charts as a picture.
- 3) EPS is updated every year with the latest figures.
- 4) This profile also shows business cycles, represented as vertical bars on selected charts.

The following pages (2-25) contain long-term trends in demographics, employment and income, for types of information **where no disclosure restrictions occur**.

What is a 'disclosure restriction'?

A disclosure restriction means a gap exists in the data. Information has been suppressed by the U.S. Department of Commerce to avoid disclosure of confidential information. Generally, the smaller the geographic level of analysis and the smaller the population of the county, the higher the chances that industry-specific information is suppressed and that disclosure restrictions will occur.

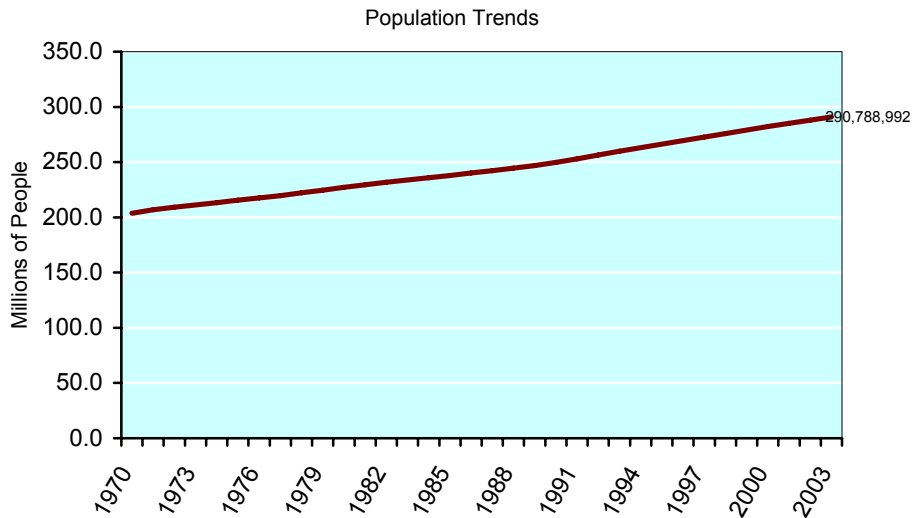
The last section of this profile contains long-term trends on employment and personal income by industry sector (services, retail trade, manufacturing, etc.). This type of data most often has data gaps, or disclosure restrictions. EPS has a built-in system for estimating data gaps.

In this section you will learn about:

1. Changes in population, age distribution, household income distribution and housing affordability.
2. Comparisons of the county to the state and the nation.
3. Employment and income by type: proprietors versus wage and salary.
4. Personal income by type: labor versus non-labor income.
5. The role of transfer payments.
6. How well do we recover from recessions?
7. Trends in government employment.
8. Earnings per job versus per capita income.
9. Growth in firms by size and industry type.
10. Unemployment rates.
11. Cross-county flow of dollars via commuting.
12. Trends in agricultural businesses.

Population

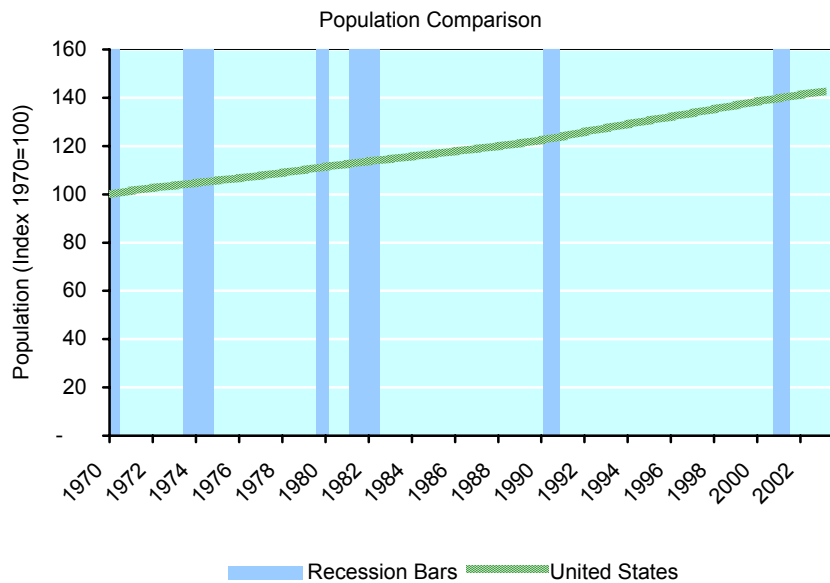
- From 1970 to 2003 population grew by 86,990,272 people, a 43% increase in population.
- At an annual rate, this represents an increase of 1.1%.



The vertical shaded bars on the figure below represent the last five recession periods: November 1973 to March 1975; January 1980 to July 1980; July 1981 to November 1982; July 1990 to March 1991; March 2001 to November 2001. More information about recessions is available on the next page.

Population Growth The Nation

- Population growth is not generally impacted by national recessions.



Source: BEA REIS 2003 Table CA30

How well do we recover from recessions?

An important indicator of economic performance is the ability to recover quickly from recessions.

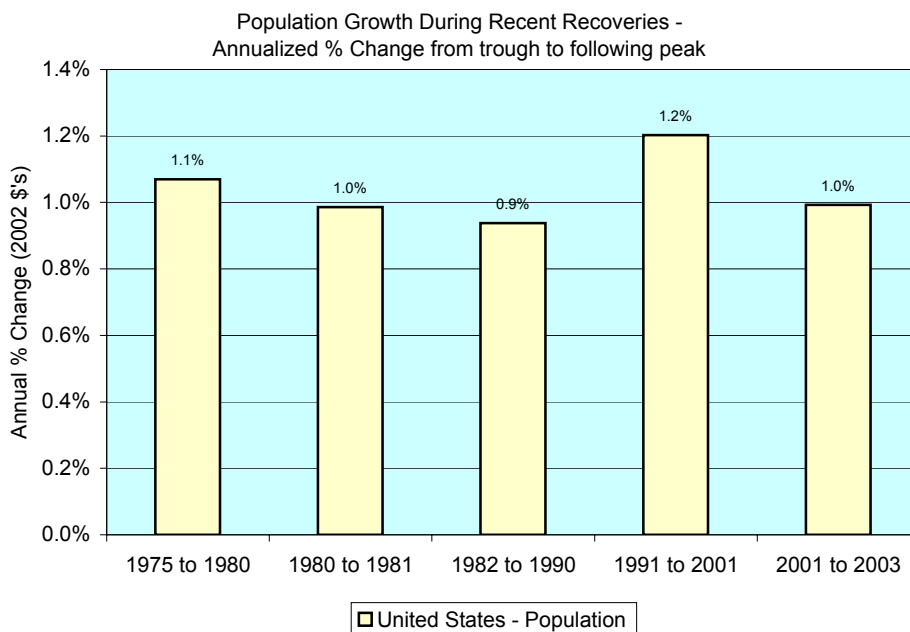
A recession is defined by the National Bureau of Economic Research as “a significant decline in activity spread across the economy, lasting more than a few months, visible in industrial production, employment, real income, and wholesale-retail sales.”

The graph below shows how well we have recovered from the last five recessions. The recovery period used is from the end of one recession (the trough) to the beginning of the next recession (the peak).

This type of graph is repeated throughout the profile to show how the region recovers from recessions compared to the state and the nation.

See <http://www.nber.org/cycles.html> for more information about business cycles.

- In the latest recovery (2001 to 2003), per capita income growth in the United States was up 1.0%.
- Similarly, in the last recovery (1991 to 2001), the United States (up 1.2%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 0.9%) grew the fastest.



Source: BEA REIS 2003 Table CA30

(From EPSC)

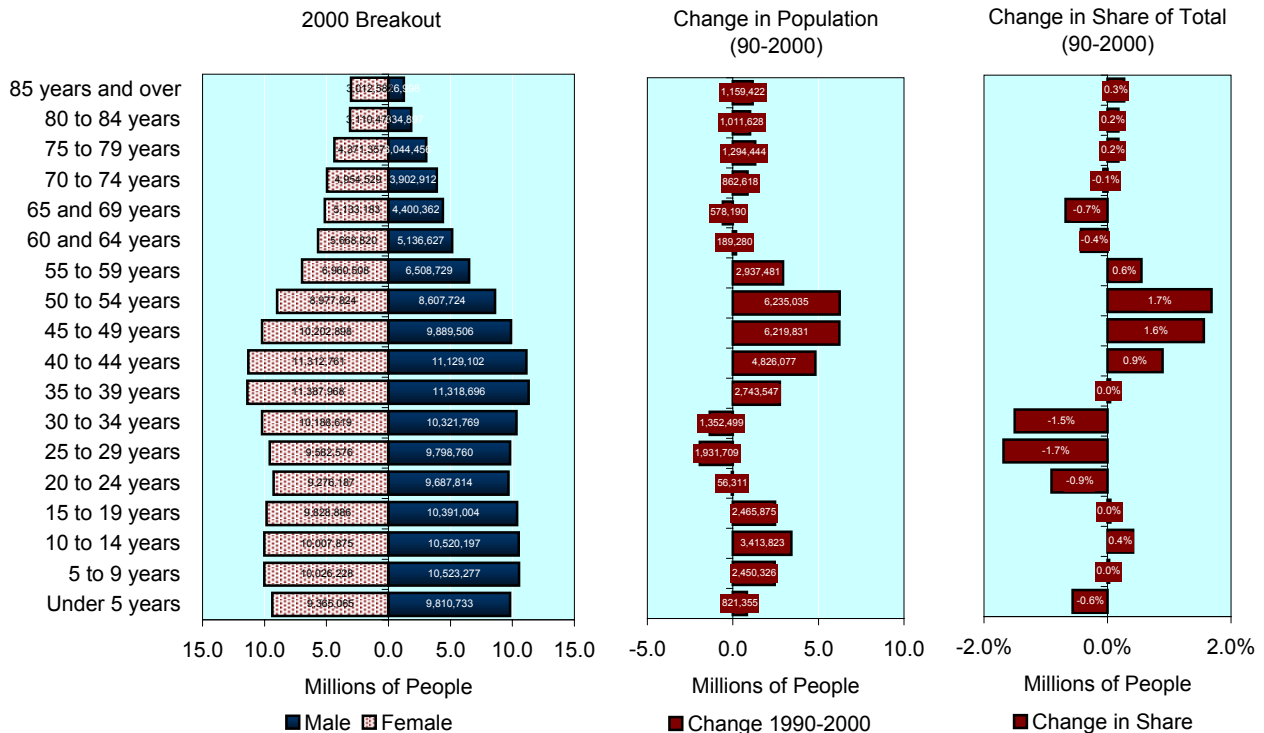
- The population has gotten older since 1990. The median age in 2000 is 35.3 years, up from 32.9 years in 1990.
- The largest age category is 35 to 39 years old (22,706,664 people or 8.1% of the total).
- Total Population in 2000 was 281,421,906 people, up 13% from 248,709,873 in 1990.

Population by Age and Sex								
	Total Number	Under 20 years Number Share	40 - 54 (Baby Boom in 2000) Number Share	65 years and over Number Share	Median Age	Density (Pop. per sq. mi.)		
Total Population								
2000	#####	##### 29%	##### 21%	##### 12%	35.3	80		
1990	#####	##### 29%	##### 17%	##### 13%	32.9	70		
10 Yr. Change	32,712,033	##### 0%	##### 4%	##### 0%	2.4	9		
10 Yr. % Change	13%	13%	40%	12%	7%	13%		
2000 Sex Breakout								
Male	#####	##### 30%	##### 21%	##### 10%	34.0			
Female	#####	##### 27%	##### 21%	##### 14%	36.5			
Male/Female Split	49% / 51%	51% / 49%	49% / 51%	41% / 59%				

2000 Table SF1 - P12 & 1990 SF1 Table P05 & P12

- The age group that has grown the fastest, as a share of total, is 50 to 54 years, up 6,235,035 people. Their share of total rose by 1.7%

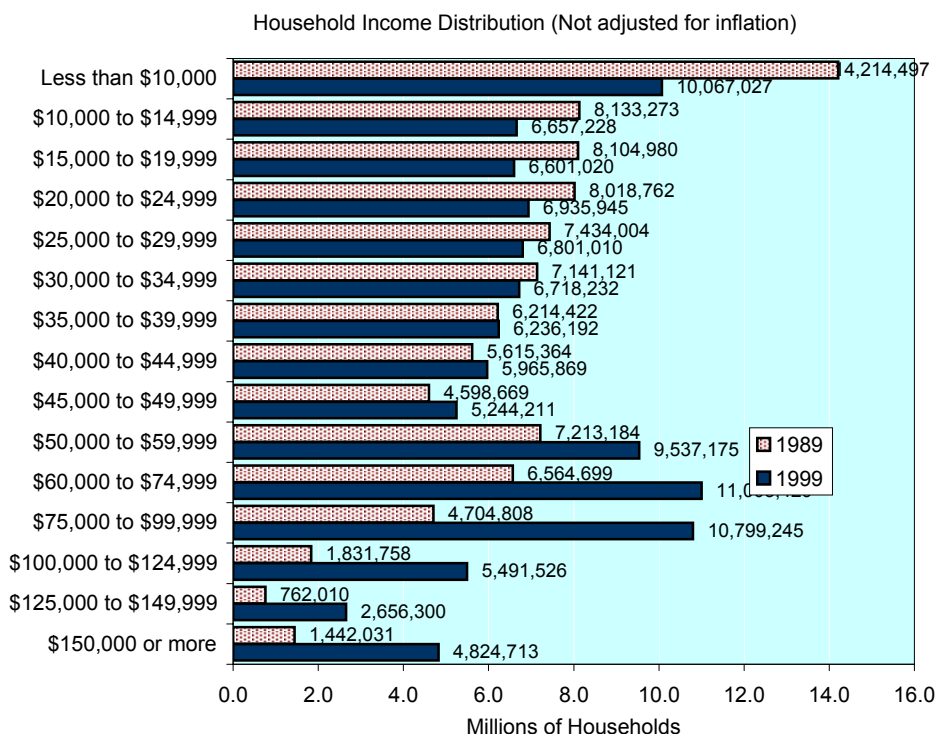
In the graphs below, changes in population by age are shown two ways. The "Change in Population" graph illustrates how each age bracket has changed in the last 10 years. The "Change in Share" graph illustrates how each category has changed as a share of total. Note that an age bracket can have an increase in population while declining as a share of total. The "Change in Share" graph usually demonstrates how the baby boom has caused a demographic shift in the population (growth in the 40-60 age brackets).



Source: Census 2000 and Census 1990

Income Distribution

- In 1999, for every household that made over \$100K, there were 2.9 households that made under \$30K. 10 years earlier, for every household that made over \$100K, there were 11.4 households that made under \$30K.
- Please note that the income distribution is not adjusted for inflation so some of the changes are due to inflation.



Housing Affordability - Owner Occupied

- The housing affordability index is 148, which suggests that the median family can afford the median house. *
- Housing affordability has become more affordable in the last decade, from 133 in 1990 to 148 in 2000.

Owner Occupied Housing Affordability	1990	2000
Specified owner-occupied housing units: Median value (Adjusted for inflation)	\$ 103,425	\$ 119,600
% of median income necessary to buy the median house	19%	17%
Income required to qualify for the median house	\$ 34,882	\$ 33,795
Housing Affordability Index: (100 or above means that the median family can afford the median house.)*	133	148

Universe: Specified owner-occupied housing units

SF3 - H76

Income in:	1989	1999
Per capita income		\$ 21,587
Median household income (Adj. for Inflation in 2000 \$)	\$ 39,599	\$ 41,994
Median family income (Adj. for Inflation in 2000 \$)	\$ 46,410	\$ 50,046

Universe: Total population, Households, Families

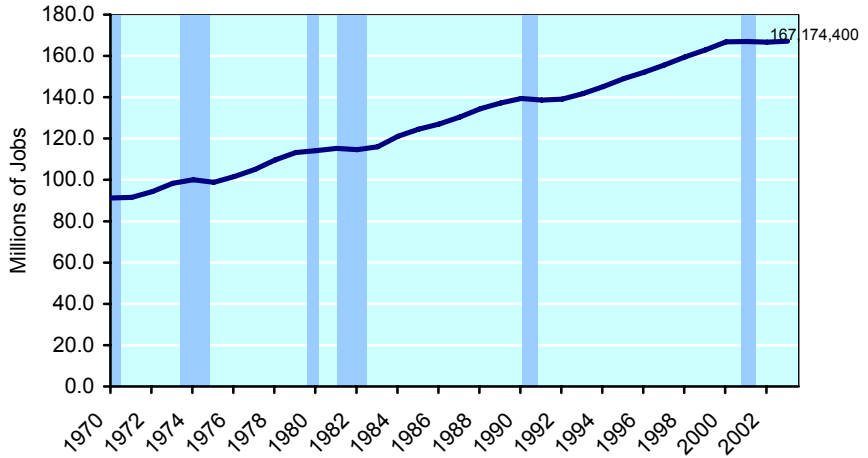
SF3 - P82,P53,P77

* Note: The housing affordability figures assume a 20% down payment and that no more than 25% of a family's income goes to paying the mortgage. It is based on an interest rate of 10.01% in 1990 and 8.03% in 2000. Use this statistic as a comparative, rather than absolute, measure.

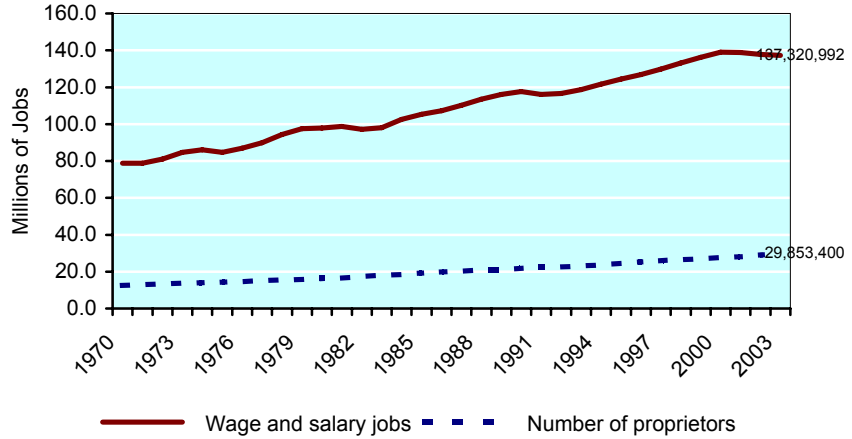
Source: Census 2000 and Census 1990

Total Employment

- From 1970 to 2003, 75,892,800 new jobs were created.
- From 1970 to 2003, the majority of job growth, 77% of new jobs, has been in wage and salary employment (people who work for someone else).



- Employment of proprietors contributed to 23% of new employment from 1970 to 2003, and 27% of new employment since 1993.
- In 1970, proprietors represented 13.7% of total employment; by 2003, they represented 17.9%.



Employment by Industry Changes from 1970 to 2003

	1970	% of Total	1993	2003	% of Total	New Employment (70-03)	% of New Employment	New Employment (93-03)	% of New Employment
Total full-time and part-time employment	#####		#####	#####	#####	#####		#####	100.0%
Wage and salary jobs	#####	86.3%	#####	#####	82.1%	#####	77.1%	#####	73.2%
Number of proprietors	#####	13.7%	#####	#####	17.9%	#####	22.9%	6,796,000	26.8%
Number of nonfarm proprietors 5/	#####	10.7%	#####	#####	16.5%	#####	23.6%	6,871,000	27.1%
Number of farm proprietors	#####	3.0%	#####	#####	1.3%	-519,000	NA	-75,000	NA

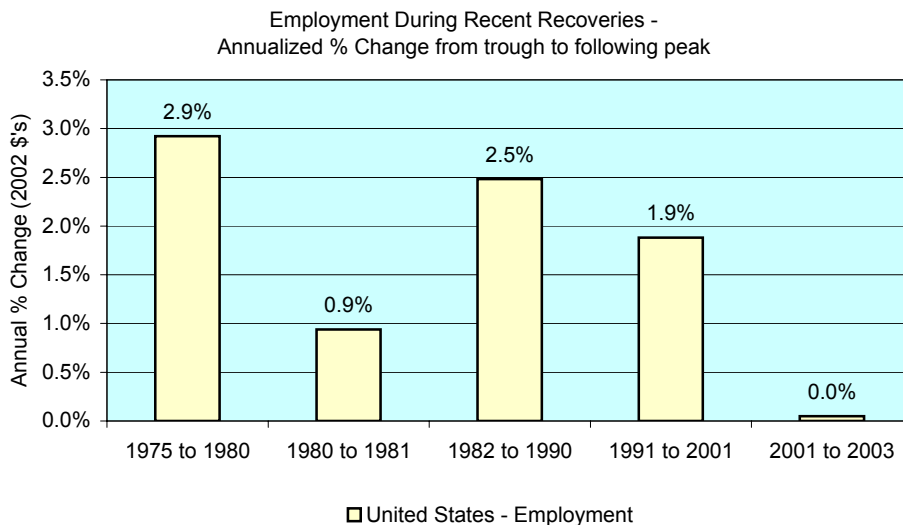
Proprietors include sole proprietorships, partnerships, and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Wage and salary employment refers to employees.

Source: BEA REIS 2003 Table CA30

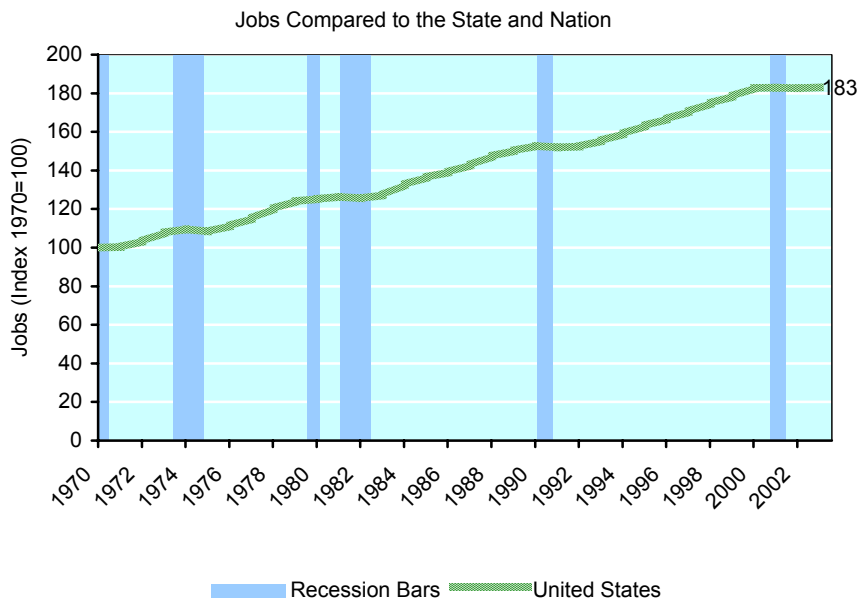
How well do we recover from recessions?

- In the latest recovery (2001 to 2003), employment growth in the United States was roughly unchanged.
- Similarly, in the last recovery (1991 to 2001), the United States (up 1.9%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 2.5%) grew the fastest.



Job Growth in the Nation

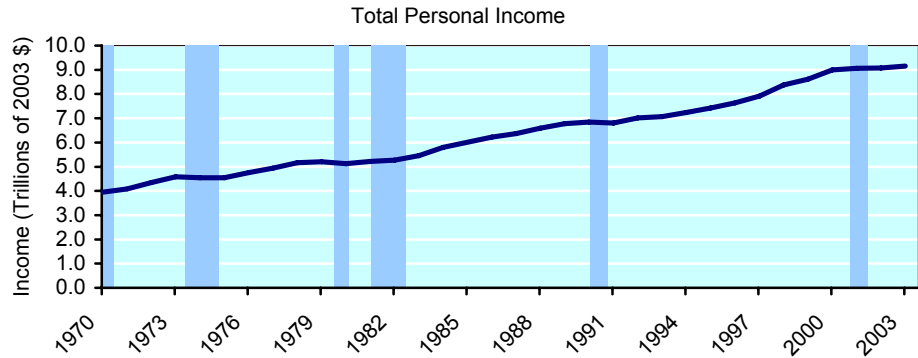
- Some areas can experience employment gains even during the recessions. If so, check to see how much is due to migration and population changes.



Source: BEA REIS 2003 Table CA30

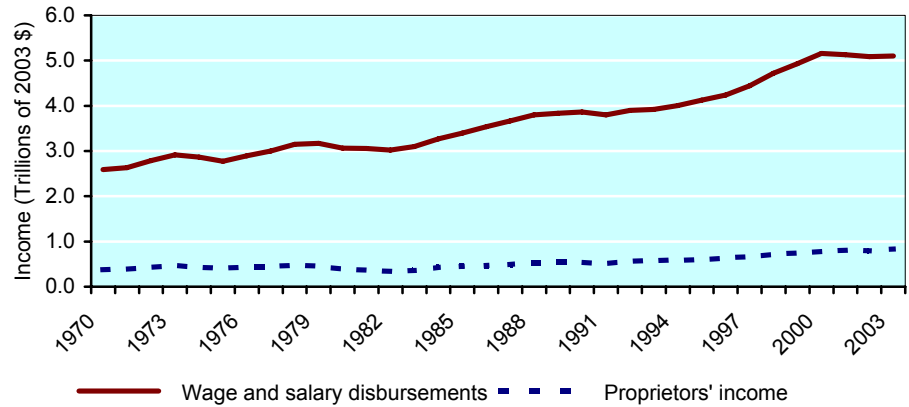
Long term trend

- From 1970 to 2003, personal income added \$5,204,092 million in real terms.
- The annualized growth rate was 2.6%.



Importance of Proprietors

- In the last 33 years, proprietors' income grew at an annual rate of 2.5%, outpacing wage and salary disbursements which grew at a 2.1% rate.
- 14.1% of new labor income from 1970 to 2003 was from proprietors' income.



Wages and Salaries vs. Proprietors

All income in millions of 2003 dollars	1970		1993		2003		New Income 70-03	% of New Income
	1970	% of Labor	1993	% of Labor	2003	% of Labor		
Labor Sources	3,048,605	100%	4,789,935	100%	6,340,842	100%	3,292,237	100.0%
Wage and salary disbursements	2,586,926	85%	3,917,196	82%	5,098,695	80%	2,511,769	76.3%
Proprietors' income	374,364	12%	580,227	12%	837,426	13%	463,062	14.1%
Nonfarm proprietors' income	311,524	10%	538,132	11%	812,267	13%	500,743	15.2%
Farm proprietors' income	62,840	2%	42,095	1%	25,159	0%	(37,681)	NA

Wage and salary is monetary remuneration of employees, including employee contributions to certain deferred compensation programs, such as 401(K) plans.

Proprietors is income of sole proprietorships, partnerships and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Source: BEA REIS 2003 Table CA05N and CA30

Definitions:

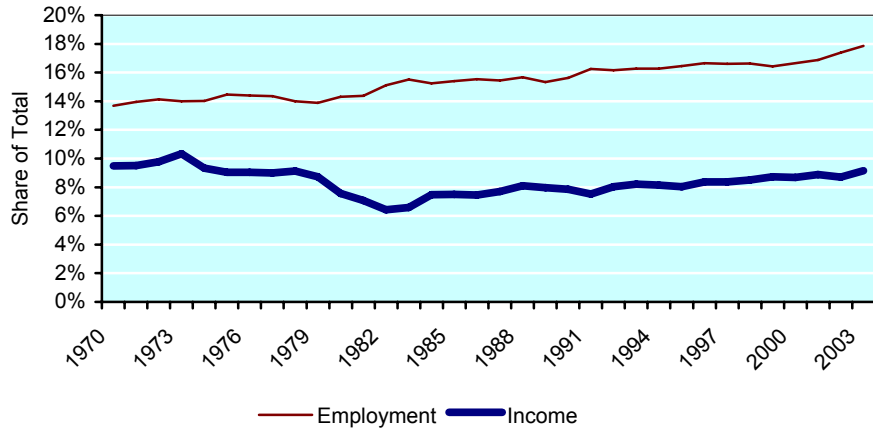
“Proprietors” refers to employment and income from sole proprietorships, partnerships, and tax-except cooperatives. “Wage and salary” refers to employees; people who work for someone else.

Are proprietors an important indicator of economic health?

- 1) Growth of proprietor employment and income can be a healthy sign that opportunities for entrepreneurship exist. Another way to gauge the health of small business growth is to look at changes in businesses by type and size of establishment (later in this profile).
- 2) Growth of proprietors can also mean that a rising number of people in the community want to (or need to) have side jobs in addition to their wage and salary jobs. When this is the case, earnings from second jobs can pull down average wages. To see if this is a sign of stress, look for other potential stress indicators in this profile: unemployment rates over time, changes in earnings per job.

Proprietors' Share of Total (Income vs. Employment)

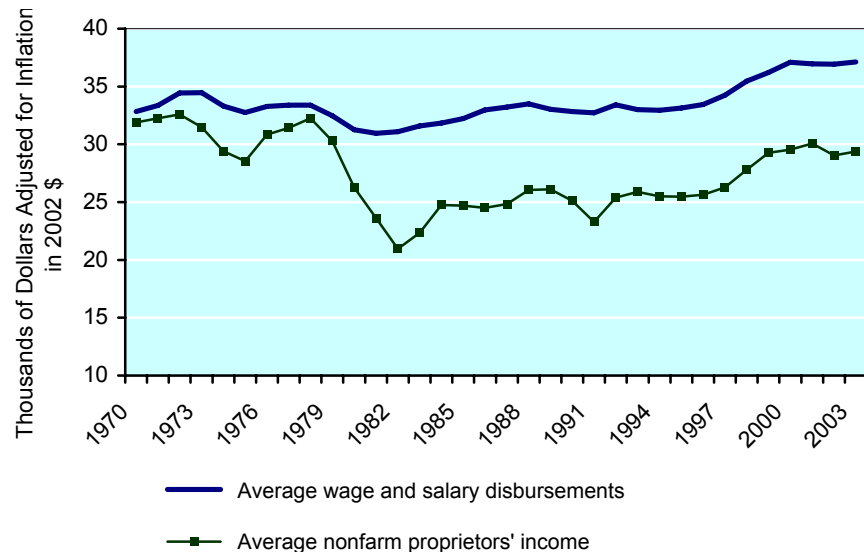
- In 2003, proprietors' share of total employment (18%) was higher than proprietors' income share of total (9%) .
- From 1970 to 2003, proprietors' income share of total fell by 3.5%, while proprietors' employment share of total grew by 30.6%.



How are Proprietors Doing?

- From 1970 to 2003, average wage and salary disbursements grew at an annualized rate of 0.4% (adjusted for inflation), faster than from average nonfarm proprietors' income, which fell by 0.2%.
- In 2003, average wage and salary disbursements were \$37,130 (adjusted for inflation), more than average nonfarm proprietors' income (\$29,371).
- Similarly, in 1970 average wage and salary disbursements were \$32,831 (adjusted for inflation), more than average nonfarm proprietors' income (\$31,892).

If these shares vary widely, it suggests that proprietors and wage earners have different earnings.

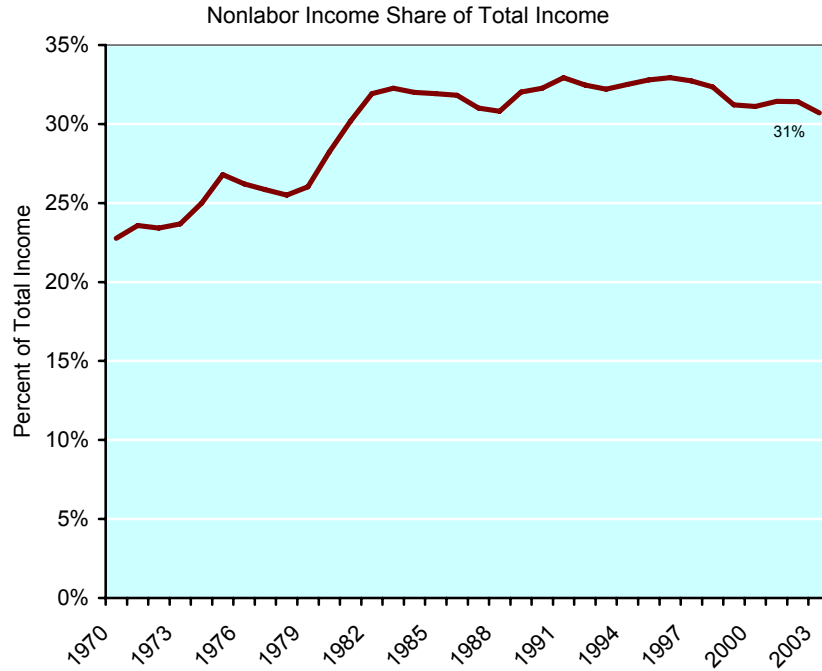


Source: BEA REIS 2003 Table CA30

The term "Non-Labor Income" is also referred by some economists as "Non-Earnings Income". It consists of Dividends, Interest and Rent (collectively often referred to as money earned from investments) and Transfer Payments (payments from governments to individuals, age-related, including Medicare, disability insurance payments, and retirements).

(See methods section for definitions and further explanations.)

- In the last 33 years, non-labor sources grew at an annual rate of 3.5%, outpacing labor sources which grew at a 2.2% rate.
- 30.7% of total personal income in 2003 was from non-labor sources.
- 36.7% of new income from 1970 to 2003 was from non-labor sources.



Non-labor income under estimates retirement income because it does not include pensions (401Ks).

Labor vs. Non-Labor											
	1970	1970		1993		2003		New	% of	% Chg	% Chg
All income in millions of 2003 dollars	1970	% of Total	% of 1993	% of Total	% of 2003	% of Total	% of Total	Income 70-03	New Income	Ann. Rate 70-03	Ann. Rate 93-03
Total Personal Income	3,947,601	100%	#####	100%	#####	100%	#####	#####	100.0%	2.6%	2.6%
Labor Sources	3,048,605	77%	#####	68%	#####	69%	#####	#####	63.3%	2.2%	2.8%
Non-Labor Sources	898,996	23%	#####	32%	#####	31%	#####	#####	36.7%	3.5%	2.1%
Dividends, interest, and rent	544,593	14%	#####	18%	#####	16%	#####	#####	17.9%	3.1%	1.5%
Personal current transfer receipts	354,404	9%	#####	14%	#####	15%	#####	#####	18.8%	4.1%	2.9%

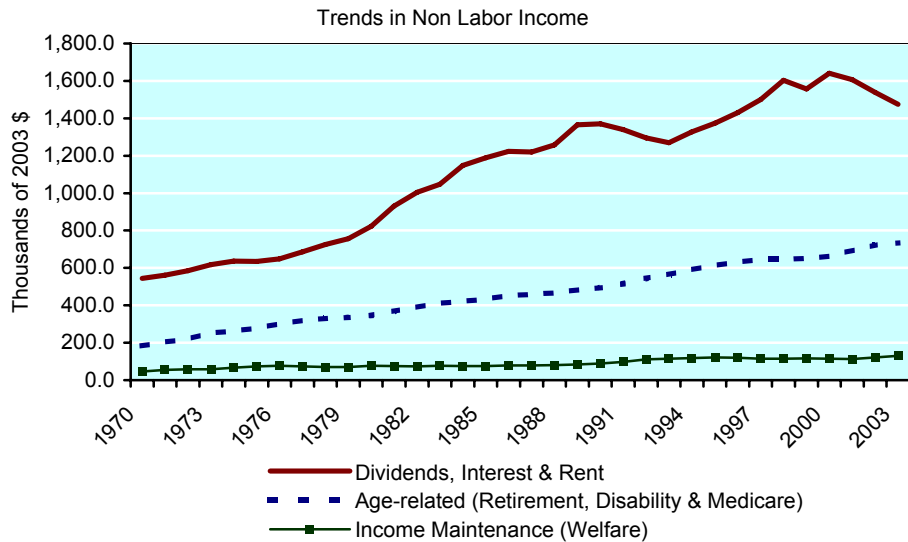
Percentages do not add to 100 because of adjustments made by BEA, such as residence, social security, and others.

Source: BEA REIS 2003 Table CA30

Components of Transfer Payments							
All figures in millions of 2003 dollars	1970	% of Total TP	2003	% of Total TP	New Payments 1970 to 2003	% of New Payments	Change in Share of Total (1970 - 2003)
Government payments to individuals	329,464.3	93%	#####	95%	945,679.6	96.4%	
Retirement & disab. insurance benefit payments	162,759.4	46%	493,132.0	37%	330,372.6	33.7%	
Medical payments	62,422.5	18%	548,986.0	41%	486,563.5	49.6%	
Income maintenance benefit payments ("welfare")	46,934.2	13%	130,464.0	10%	83,529.8	8.5%	
Unemployment insurance benefit payments	19,917.5	6%	53,512.0	4%	33,594.5	3.4%	
Veterans benefit payments	35,363.1	10%	31,916.0	2%	(3,447.1)	NA	
Federal educ. & trng. asst. pay. (excl. vets)	1,816.3	0.5%	13,708.0	1.0%	11,891.7	1.2%	
Other payments to individuals	251.3	0.1%	3,426.0	0.3%	3,174.7	0.3%	
Payments to nonprofit institutions *	14,843.3	4%	41,837.0	3%	26,993.7	2.8%	
Business payments to individuals	10,096.3	3%	18,342.0	1%	8,245.7	0.8%	
Age-related (Retirement, Disability & Medicare)	183,212.8	52%	733,834.0	55%	550,621.2	56.1%	

Trends in Non-Labor Income by Type

- The largest components of Non-Labor Income are from Dividends, Interest & Rent (i.e. money earned from past investments).
- In 2003 welfare represented 9.8% of transfer payments, and 1.4% of total personal income. This is down from 1970 and down from 1980.



Components of Transfer Payments

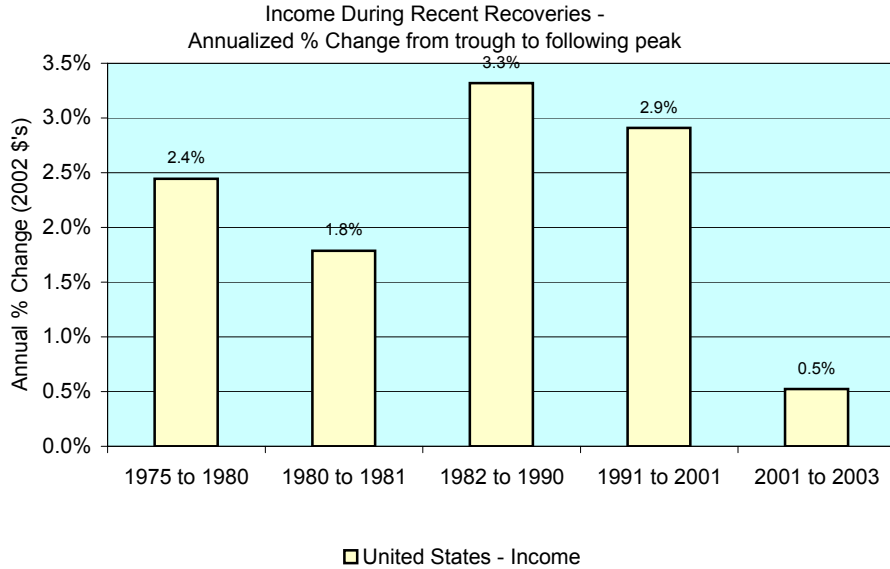
- In 2003, 55% of Transfer Payments were from age-related sources (retirement, disability, insurance payments, and Medicare), while 10% was from welfare.

* See glossary for definitions.

Source: BEA REIS 2003 Table CA35

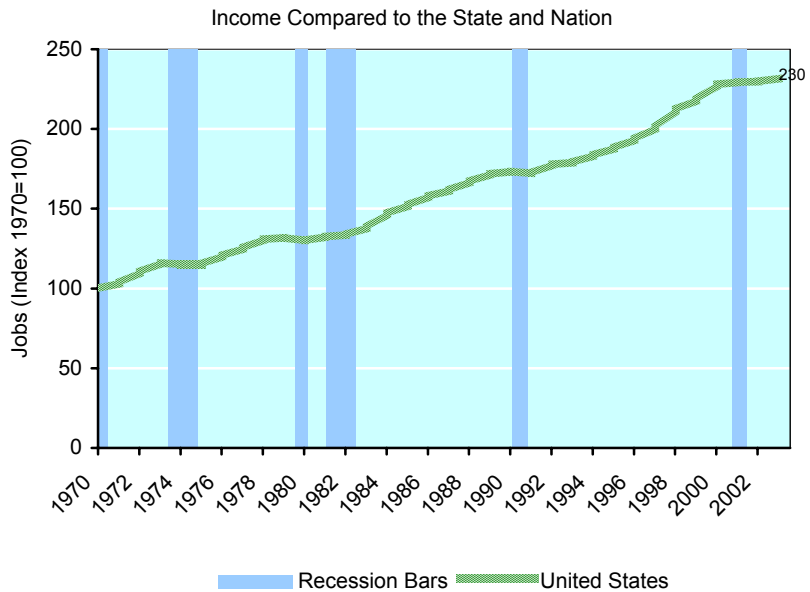
How well do we recover from recessions?

- In the latest recovery (2001 to 2003), per capita income growth in the United States was up 0.5%.
- Similarly, in the last recovery (1991 to 2001), the United States (up 2.9%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 3.3%) grew the fastest.



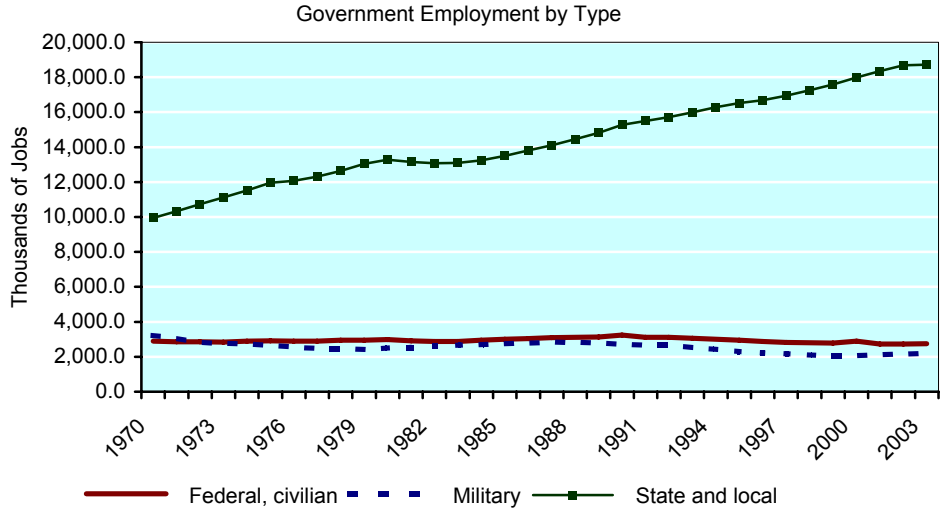
Income Growth in the Nation

- Some areas can experience income gains even during the recessions. If so, check to see how much of the change is due to changes in earnings per job, employment, migration and population changes.

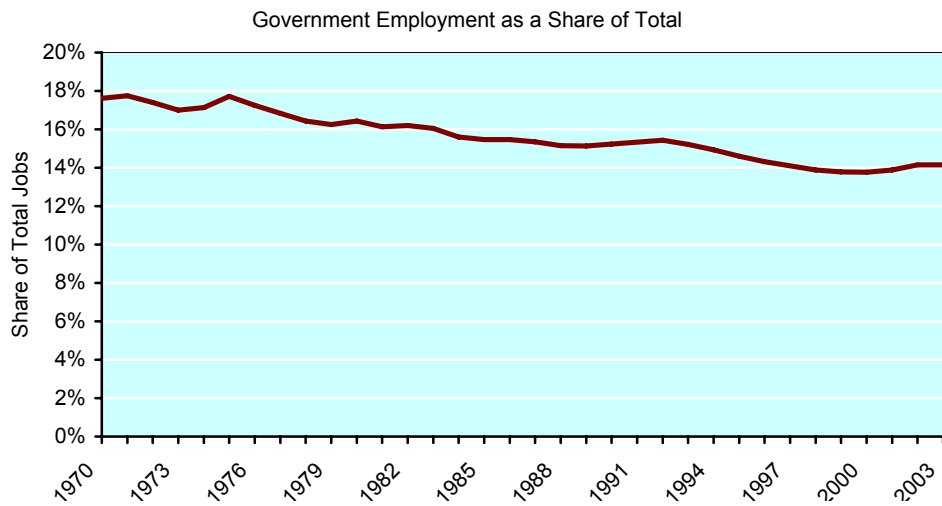


Source: BEA REIS 2003 Table CA30

- The majority of the growth in government employment has been in state and local government (116%).



- Is the size of government getting bigger? One way to answer this is to look at whether government employment has grown. If so, what type of government employment, and how does it compare to population growth? The figures on this page show government employment by type.



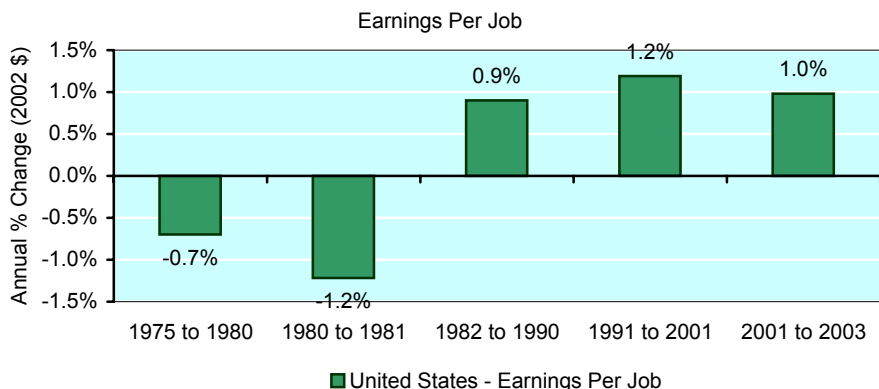
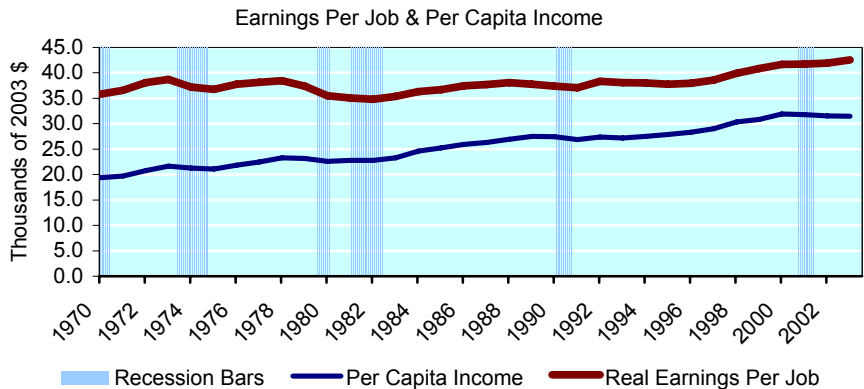
Source: BEA REIS 2003 Table CA25 and CA25N

$$\text{Average Earnings per Job} = \frac{\text{Total Wages Earned}}{\text{Total \# of Workers}}$$

- Average earnings per job, adjusted for inflation, have risen from \$35,799 in 1970 to \$42,553 in 2003.
- In 2003, Average earnings per job in United States (\$42,553) were the same as the state (\$42,553) and the same as the nation (\$42,553).

How well do we recover from recessions?

- In the latest recovery (2001 to 2003), per capita income growth in the United States was up 1.0%.
- Similarly, in the last recovery (1991 to 2001), the United States (up 1.2%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 0.9%) grew the fastest.



There are several reasons why earnings per job may change over time:

- 1) Average earnings per job statistics include full and part-time employment. In some counties only a portion of the eligible workforce works full-time, driving down wage statistics. Run an EPSC profile to see the percentage of people working full-time.
- 2) Communities with an increase in tourism may see a decline in earnings due to a rise in seasonal (part-time) workers.
- 3) Communities that have established themselves as regional retail trade centers may see a decline in wages due to the low wages paid in retail trade.
- 4) Structural changes may have resulted in the loss of relatively high-wage occupations. Look at the long-term trends in employment, by industry, and compare to the nation and other counties. Are the changes local, or part of nation-wide trends?
- 5) More women have entered the workforce, and because of relatively lower pay, or because of fewer hours worked (depending on the region both may occur), earnings may decline over time. For a comparison of male versus female income run an EPSC profile.
- 6) Earnings will decline if job growth is primarily from low-wage services industries. Look at the breakdown of different industrial sectors to see the type of service industries that are growing. Does the community have what it takes (education, airports, amenities, etc.) to attract the high-wage service industries (engineering, finance, etc.)?
- 7) People may be choosing to live in some communities for quality of life reasons. In some areas the increase in population can outpace the rate of job creation, thereby flooding the labor market and causing a downturn in wages. Look at the growth rates of population relative to growth in jobs and personal income.

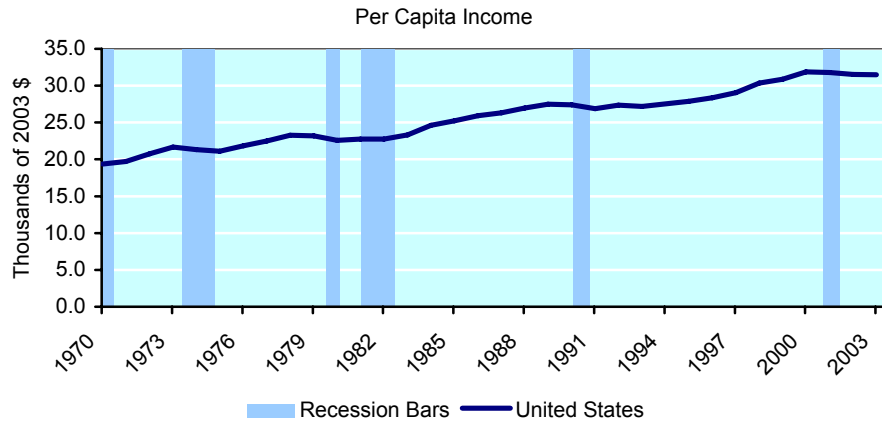
Source: BEA REIS 2003 Table CA30

$$\text{PCI} = \frac{\text{Total Personal Income}}{\text{Population}}$$

Per capita income is often used as a measure of economic performance, but it should be combined with changes in earnings for a realistic picture of economic health:

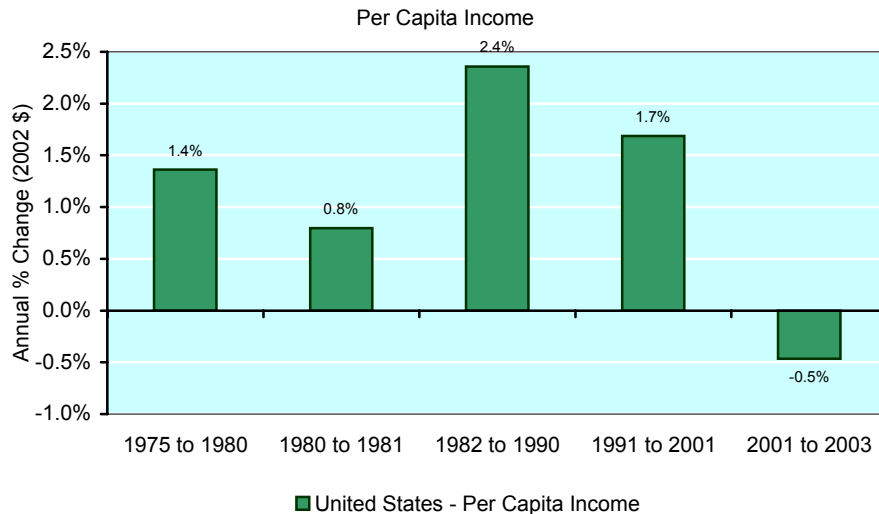
Since total personal income includes income from 401(k) plans as well as other non-labor income sources like transfer payment, dividends, and rent, it is possible for per capita income to rise, even if the average wage per job declines over time. In other words, the non-labor sources of income can cause per capita income to rise, even if people are earning less per job.

- Per capita income, adjusted for inflation, has risen from \$19,372 in 1970 to \$31,472 in 2003.
- In 2003, per capita income in United States (\$31,472) was the same as the state (\$31,472) and the same as the nation (\$31,472).



How well do we recover from recessions?

- In the latest recovery (2001 to 2003), per capita income growth in the United States was down 0.5%.
- Similarly, in the last recovery (1991 to 2001), the United States (up 1.7%) grew the fastest.
- In the recovery from 1982 to 1990, the United States (up 2.4%) grew the fastest.



Source: BEA REIS 2003 Table CA30

The advantage of this data source is that it never has disclosure restrictions. This source also releases data for hundreds of sectors (available on demand). The data on this page are from the US Census County Business Patterns, which unlike the REIS data, does NOT include proprietors, government, household services or railroad workers. If available, we encourage you to look at employment and income data from BEA REIS starting on page 26 as well.

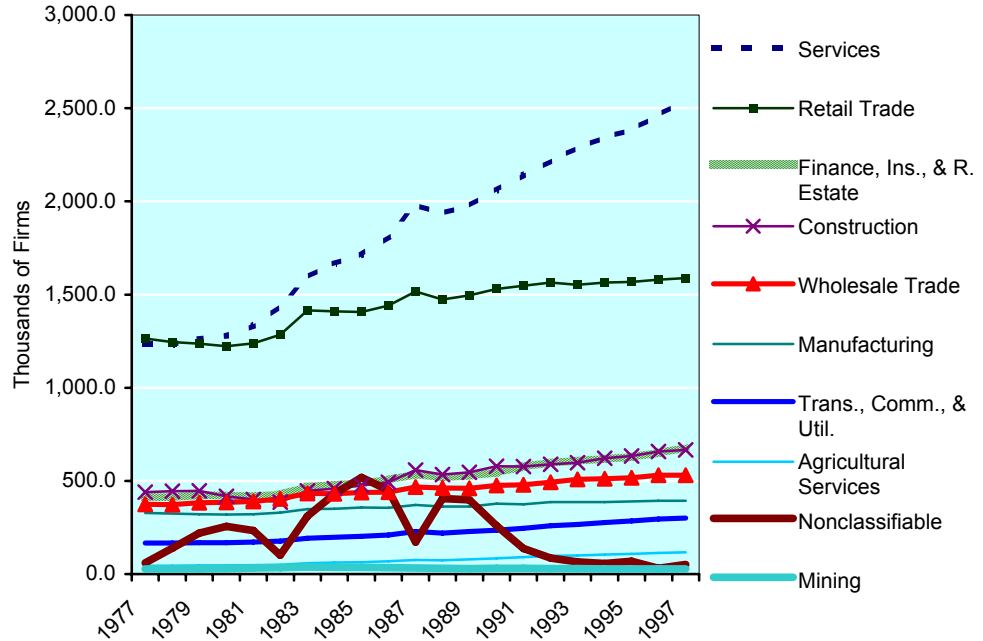
Growth

- The employment category whose share of total gained the most was services, which went from 28.3% in 1977 to 36.9% in 1997.

Decline

- The category whose share of total shrank the most was retail trade, which went from 29.0% in 1977 to 23.0% in 1997.

County Business Patterns Number of Establishments



Firms by Industry

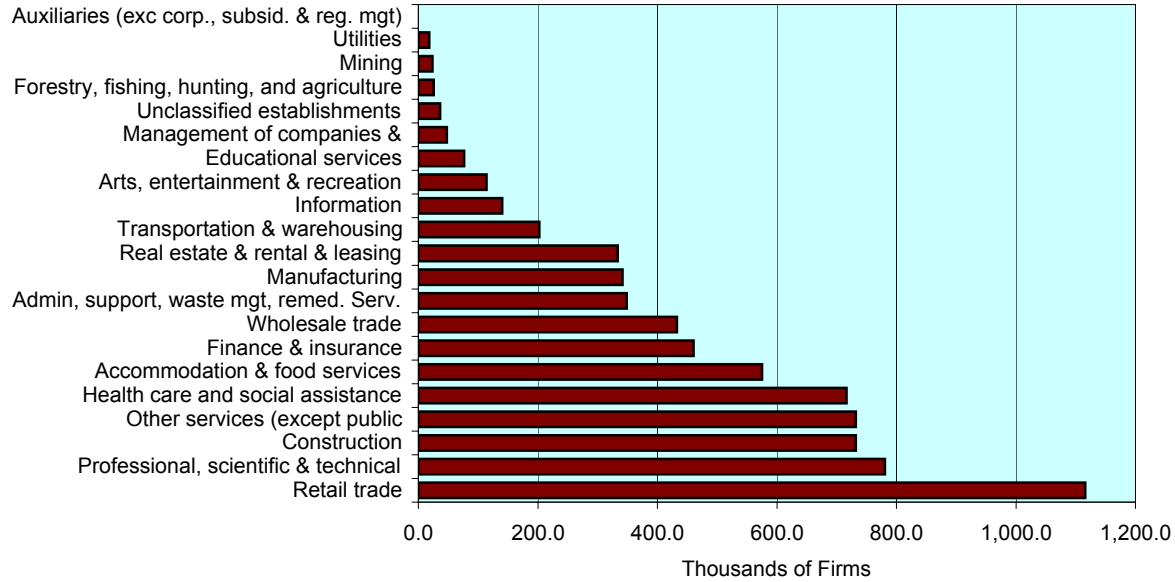
	1977			1987			1997			New Firms		Change in Share of Total
	Count	Shr of Tot	Count	Shr of Tot	Count	Shr of Tot	77-97	Shr of Tot				
Total	4352295		5937060		6894869		2542574					
Agricultural Services	44997	1.0%	75687	1.3%	116588	1.7%	71591	2.8%				
Mining	27755	0.6%	32995	0.6%	26804	0.4%	-951	NA				
Construction	439381	10.1%	558495	9.4%	667089	9.7%	227708	9.0%				
Manufacturing	327850	7.5%	371018	6.2%	393091	5.7%	65241	2.6%				
Trans., Comm., & Util.	166465	8.6%	228397	7.9%	300644	7.7%	154916	6.1%				
Wholesale Trade	375077	8.6%	466407	7.9%	529993	7.7%	154916	6.1%				
Retail Trade	1263377	29.0%	1516422	25.5%	1588717	23.0%	325340	12.8%				
Finance, Ins., & R. Estate	413128	9.5%	535745	9.0%	676799	9.8%	263671	10.4%				
Services	1233652	28.3%	1980093	33.4%	2543677	36.9%	1310025	51.5%				
Nonclassifiable	60613	1.4%	171801	2.9%	51467	0.7%	-9146	NA				

Data ends in 1997 because the CBP switched to a different classification system (NAICS) in 1997.

Source: Census County Business Patterns

Firms by Industry in 2001 (NAICS)

Firms by Industry in 2003



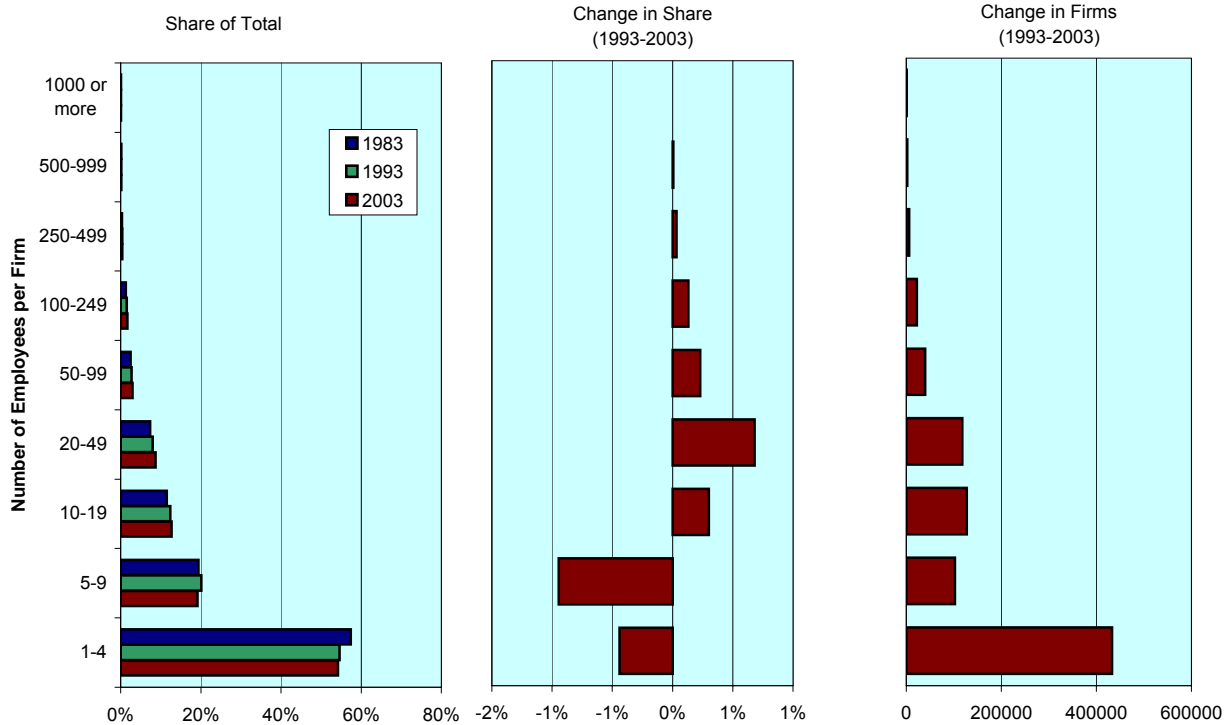
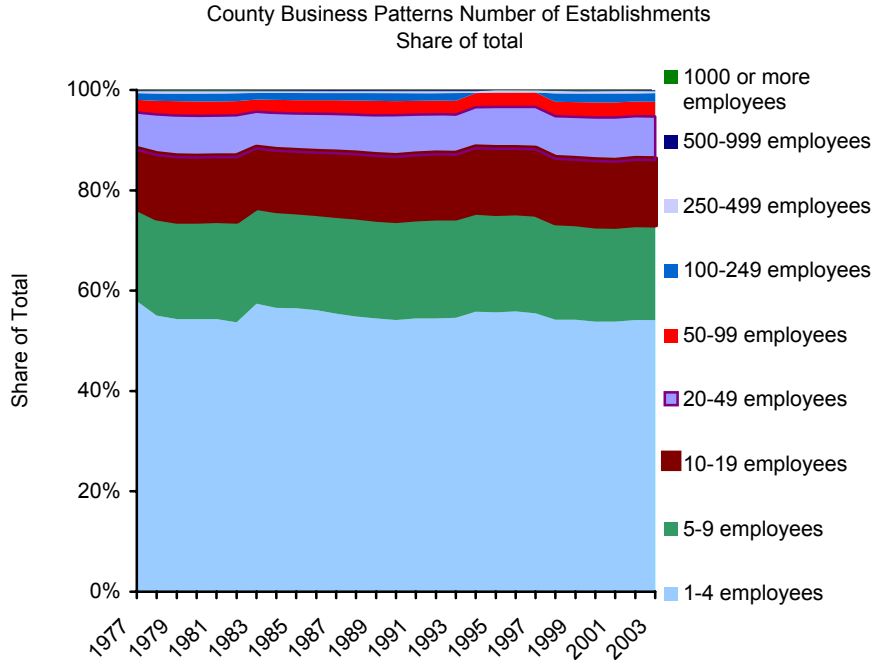
Firms by size and industry in 2003

	Total	Number of Employees per Firm								
		1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000 or more
Forestry, fishing, hunting, and agriculture s	25861	17,384	4,436	2,357	1,212	301	133	26	9	3
Mining	23599	12,271	3,823	3,252	2,602	908	496	159	60	28
Utilities	18413	7,608	3,130	2,387	2,528	1,347	915	303	133	62
Construction	732175	472,471	122,522	72,842	44,422	#####	5,731	1,139	312	123
Manufacturing	341849	121,315	59,595	53,594	52,406	#####	#####	6,574	2,531	1,140
Wholesale trade	432537	225,702	84,420	60,954	41,048	#####	5,884	1,419	457	152
Retail trade	1115906	511,569	284,455	#####	93,137	#####	#####	3,728	458	47
Transportation & warehousing	202673	114,318	30,483	23,774	19,795	7,756	4,529	1,207	505	306
Information	140027	70,586	22,588	17,700	15,601	6,742	4,455	1,427	629	299
Finance & insurance	460591	264,429	93,340	55,728	29,894	8,810	5,144	1,768	925	553
Real estate & rental & leasing	333552	235,280	53,972	28,367	11,383	2,792	1,307	312	109	30
Professional, scientific & technical services	780870	536,749	115,043	68,927	39,518	#####	6,253	1,738	647	339
Management of companies & enterprises	47432	17,434	6,934	6,949	7,180	3,762	2,869	1,301	630	373
Admin, support, waste mgt, remed. Serv.	348686	200,165	52,313	36,264	29,596	#####	#####	3,152	1,115	710
Educational services	76422	35,622	12,133	10,290	10,459	4,170	2,326	681	389	352
Health care and social assistance	716350	330,178	169,610	#####	62,855	#####	#####	3,710	1,689	1,837
Arts, entertainment & recreation	113991	67,379	15,896	11,981	11,149	4,596	2,209	513	156	112
Accommodation & food services	575347	206,125	98,026	#####	#####	#####	8,218	955	331	184
Other services (except public administratio	731967	449,487	155,502	78,252	36,355	8,395	3,253	551	128	44
Auxiliaries (exc corp., subsid. & reg. mgt)										
Unclassified establishments	36497	34,241	1,708	421	118	9	0	0	0	0
Total	7254745	#####	#####	#####	#####	#####	#####	#####	#####	6,694

Source: Census County Business Patterns

Firms by Size

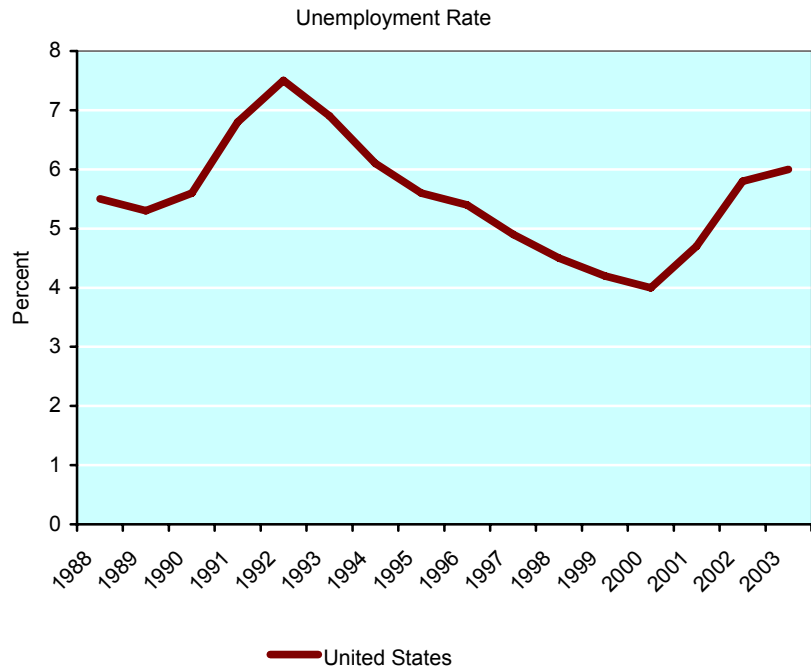
- The size category that grew the most was 1-4 employees.
- As a share of total, the size category that gained the most was 20-49 employees.
- In 2001, 86% of the firms had fewer than 20 employees.



Source: Census County Business Patterns

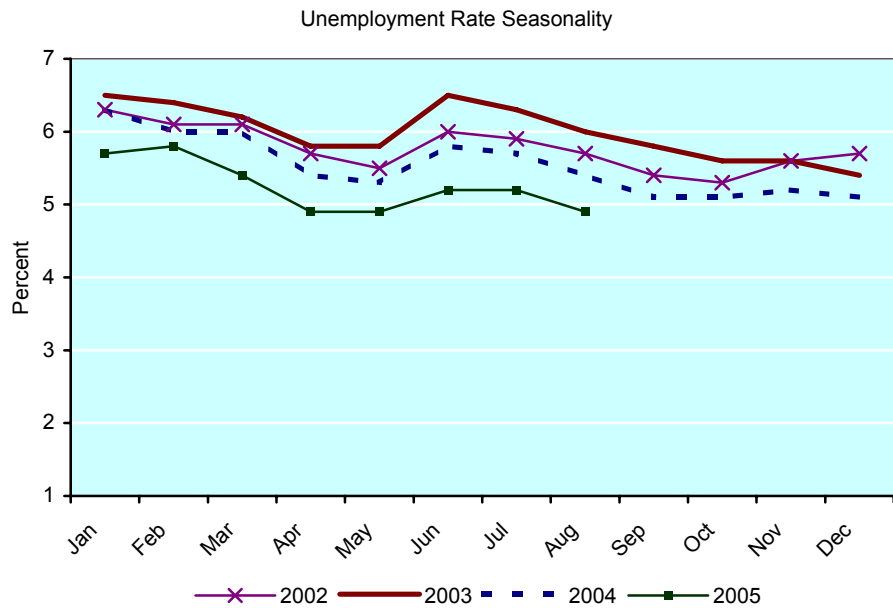
Annual Average Unemployment Rate in the Nation

- In 2004, the unemployment rate was 5.5% in the nation.



Unemployment Rate Seasonality

- This graph illustrates the seasonal variation in the unemployment rate over the last three years. In 2004, the unemployment rate varied from from a low of 5.1% in December 2004 to a high of 6.3% in January 2004



Source: Bureau of Labor Statistics

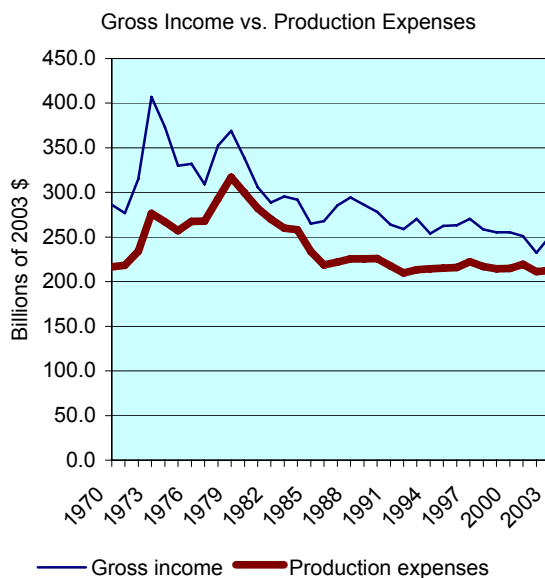
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Farm income figures presented on this page reflect income from farming *enterprises* (income of the business). The term “farm” includes farming and ranching, but not agricultural services such as soil preparation services and veterinary services. In contrast, farm income figure presented in the next section reflect personal income earned by *individuals* (income of individuals, both proprietors and wage and salary employees) who work in farming and ranching.

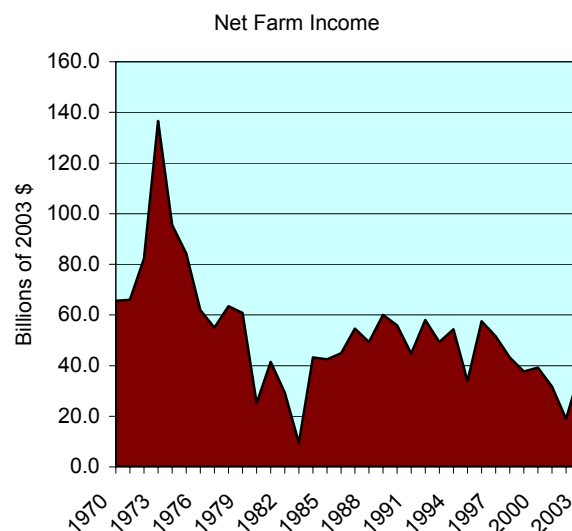
Farm income of businesses differs from individual farm income because it also includes government payments, rent, the value of inventory change and production expenses. In some areas, net farm income can be negative when production expenses exceed gross income.

Gross Income, Expenses, and Net Income from Farming and Ranching							
All figures in thousands of 2003 dollars	1970	% of Gross Income	1993	% of Gross Income	2003	% of Gross Income	70-03 Change in Share
Gross Income (Cash + Other)	#####	#####	#####	#####	#####	#####	
Cash Receipts from Marketings	#####	92%	#####	89%	#####	86.9%	-5%
Livestock & Products	#####	56%	#####	47%	#####	45.7%	-10%
Crops	#####	36%	#####	42%	#####	41.2%	5%
Other Income	23,880,222	8%	28,613,197	11%	32,689,033	13.1%	5%
Government Payments	17,628,770	6%	17,065,542	6%	15,949,405	6.4%	0%
Imputed Rent & Rent Received	6,251,452	2%	11,547,655	4%	16,739,628	6.7%	5%
Production Expenses	#####	#####	#####	#####	#####	#####	
Realized Net Income (Income - Expenses)	69,622,148		57,110,198		37,576,608		
Value of Inventory Change	(3,973,935)	-1%	(7,822,450)	-3%	262,079	0.1%	NA
Total Net Income (Inc. corporate farms)	65,648,212		49,287,748		37,838,687		

Gross Income vs. Production Expenses



Net Farm Income



Source: BEA REIS 2003 CD Table CA45

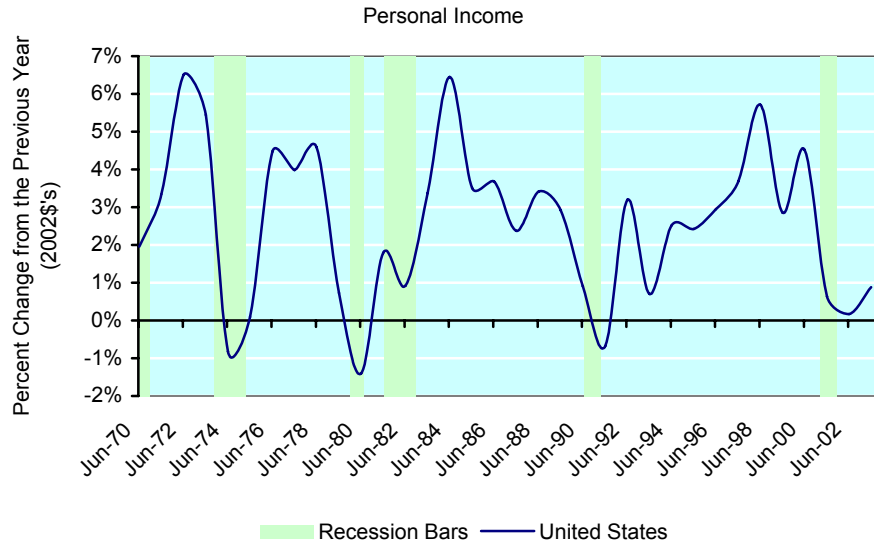
In the following pages (23-25) you will learn about:

1. The economic diversity of the county, compared to the state and the nation.
2. The year to year stability of personal income growth, comparing the county to the state and the nation.
3. The stability of personal income over time, comparing labor versus non-labor income.
4. If this is a county profile, numerous performance characteristics of the county (population growth, employment growth, employment stability, etc.), are used to compare the county to the median county in the country (a "benchmark").

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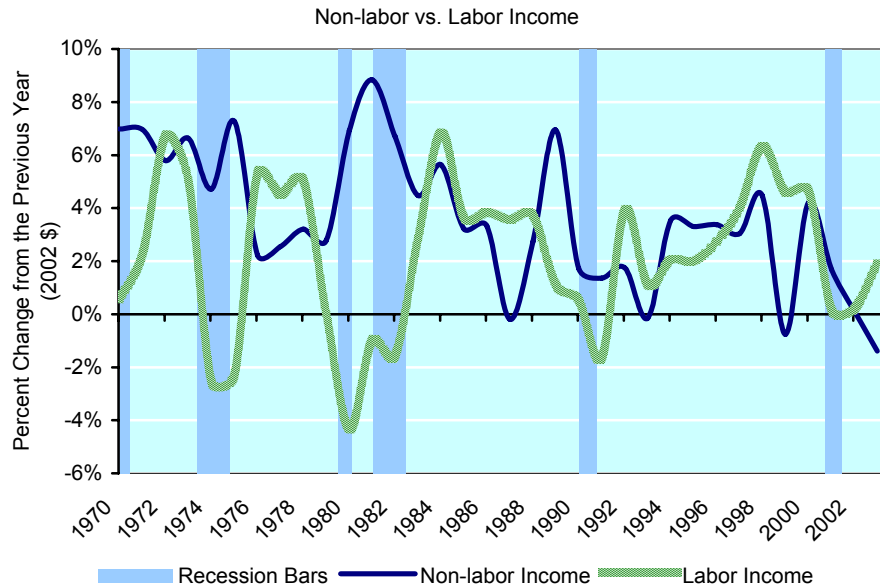
Stability vs. State and Nation

- Different regions can behave very differently during recessions and recoveries.
- Note: Below 0% means absolute decline. Above 0% means absolute growth, but at different rates.



Labor vs. Non-Labor Income Stability

- Non-labor income sources can have a stabilizing effect on the economy and are sometimes, but not always, counter-cyclical to labor income.



Source: BEA REIS 2003 Table CA30

Performance Comparisons

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In the following pages (28-30) you will learn about:

1. Employment and personal income trends, from 1970 to 2003
2. How the structure of the economy has changed during the last three decades

Information for some industries and for some years may not be available from the U.S. Department of Commerce because of disclosure restrictions.

What is a 'disclosure restriction'?

A disclosure restriction means a gap exists in the data. Information has been suppressed by the U.S. Department of Commerce to avoid disclosure of confidential information. Generally, the smaller the geographic level of analysis and the smaller the population of the county, the higher the chances that industry-specific information is suppressed and that disclosure restrictions will occur.

We are currently building a new system that will allow you to estimate these data that have not been disclosed. Once the new system is done, we will send an email to all of our registered users to announce the release.

Important Notes on the Industrial Classification Systems used by EPS

The U.S. Department of Commerce made a transition in how economic information is gathered and organized. The Standard Industrial Classification System (SIC) was used from 1970 to 2000; the North American Industrial Classification System (NAICS, pronounced “nakes”) is used currently, for data from 2001 and beyond.

Unfortunately the two systems are not backward comparable, so they are presented separately in EPS: 1970 to 2000 data are organized by SIC, and data beyond those years are organized by NAICS.

The most important change resulting from the shift to NAICS is the recognition of hundreds of new businesses in today's economy. NAICS divides the economy into 20 broad sectors rather than the SIC's 10 divisions. This is especially helpful in giving a more detailed breakdown of the fastest growth area in the country's economy – “services.” For example, advanced technology related “service” industries (e.g., professional, scientific and technical services) are clearly differentiated from “in-person” services (e.g., health care) and low-wage services (e.g., accommodation and food services).

For historical data (1970-2000, organized by SIC) EPS was designed to illustrate the complexity of the service economy in a couple of ways:

- 1) We use the term “Services and Professional” to underscore an important point: service occupations are not just “hamburger flippers and maids,” but rather consist of a combination of high-paying and low-paying professions, mixing physicians with barbers, and chambermaids with architects and financial consultants.
- 2) We reorganized the SIC categories into different types of services, such as Consumer Services, Producer Services, Social Services, and Government Services.

The transition to NAICS has alleviated the need to explain that “services” are actually a wide mix of low, medium, and high-wage industries.

About Missing Data

This profile is organized so that all non-disclosed information is presented first. Employment and personal income by industry is presented last. For some rural counties, and for some industries, data gaps may be estimated using a variety of techniques.

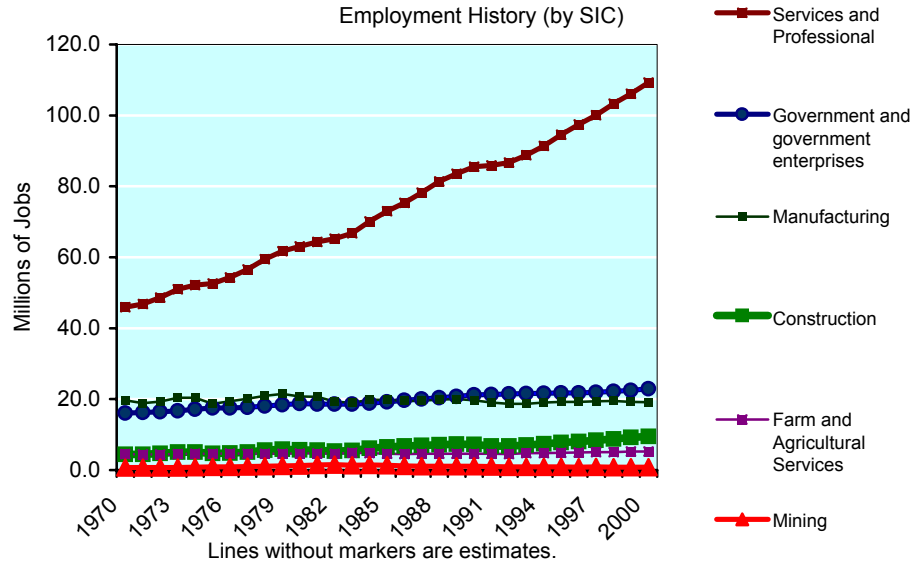
Data ends in 2000 because the BEA switched to a different classification system (NAICS) in 2001.

Growth

- The employment category whose share of total gained the most was services and professional, which went from 50.3% in 1970 to 65.5% in 2000.

Decline

- The category whose share of total shrank the most was manufacturing (incl. forest products), which went from 21.6% in 1970 to 11.5% in 2000.



Employment by Industry Changes from 1970 to 2000							
	1970	% of Total	2000	% of Total	New Employment	% of New Employment	Change in Share
Total Employment	91,281,600		166,758,800		75,477,200		
Wage and Salary Employment	78,797,000	86.3%	139,002,000	83.4%	60,205,000	79.8%	
Proprietors' Employment	12,484,600	13.7%	27,756,800	16.6%	15,272,200	20.2%	
Farm and Agricultural Services	4,486,300	4.9%	5,234,100	3.1%	747,800	1.0%	
Farm	3,961,000	4.3%	3,113,000	1.9%	-848,000	NA	
Ag. Services	525,300	0.6%	2,121,100	1.3%	1,595,800	2.1%	
Mining	743,900	0.8%	784,200	0.5%	40,300	0.1%	
Manufacturing (incl. forest products)	19,687,400	21.6%	19,114,800	11.5%	-572,600	NA	
Services and Professional	45,884,200	50.3%	109,235,400	65.5%	63,351,200	83.9%	
Transportation & Public Utilities	4,865,500	5.3%	8,244,400	4.9%	3,378,900	4.5%	
Wholesale Trade	4,172,700	4.6%	7,584,100	4.5%	3,411,400	4.5%	
Retail Trade	13,698,800	15.0%	27,222,300	16.3%	13,523,500	17.9%	
Finance, Insurance & Real Estate	6,125,400	6.7%	13,193,800	7.9%	7,068,400	9.4%	
Services (Health, Legal, Business, Others)	17,021,800	18.6%	52,990,800	31.8%	35,969,000	47.7%	
Construction	4,398,800	4.8%	9,446,300	5.7%	5,047,500	6.7%	
Government	16,081,000	17.6%	22,944,000	13.8%	6,863,000	9.1%	

* Estimates for data that were not disclosed are bold and red in the above table.

* **Agricultural Services** include soil preparation services, crop services, etc. It also includes forestry services, such as reforestation services, and fishing, hunting and trapping. **Manufacturing** includes paper, lumber and wood products manufacturing.

Source: BEA REIS 2003 CD Table CA25

United States

Employment (NAICS)

Growth

- The employment category whose share of total gained the most was health care and social assistance, which went from 9.3% in 2001 to 9.9% in 2003.

Decline

- The employment category whose share of total shrank the most was manufacturing, which went from 10.2% in 2001 to 9.0% in 2003.

Employment by Industry (NAICS) Changes from 2001 to 2003 Share of Total

Category	2001	2003	2003 Share of Total	New Jobs	Change in Share of Total (2003 - 2001)
Total employment	#####	#####	100%	159,696.0	
Wage and salary employment	#####	#####	82%	#####	
Proprietors employment	#####	#####	18%	#####	
Farm proprietors employment	#####	#####	1%	12,000.0	
Nonfarm proprietors employment	#####	#####	17%	#####	
Farm employment	#####	#####	2%	(22,000.0)	
Nonfarm employment	#####	#####	98%	181,696.0	
Private employment	#####	#####	84%	(299,312.0)	
Forestry, fishing, related activities, and oth.	#####	#####	1%	53,200.0	
Mining	811,400.0	718,800.0	0%	(92,600.0)	
Utilities	618,800.0	585,800.0	0%	(33,000.0)	
Construction	#####	#####	6%	(138,600.0)	
Manufacturing	#####	#####	9%	#####	
Wholesale trade	#####	#####	4%	(168,400.0)	
Retail Trade	#####	#####	11%	(63,500.0)	
Transportation and warehousing	#####	#####	3%	(169,600.0)	
Information	#####	#####	2%	(516,700.0)	
Finance and insurance	#####	#####	5%	197,500.0	
Real estate and rental and leasing	#####	#####	3%	270,500.0	
Professional and technical services	#####	#####	6%	1,200.0	
Management of companies and enterprises	#####	#####	1%	23,500.0	
Administrative and waste services	#####	#####	6%	82,800.0	
Educational services	#####	#####	2%	252,900.0	
Health care and social assistance	#####	#####	10%	893,900.0	
Arts, entertainment, and recreation	#####	#####	2%	144,600.0	
Accommodation and food services	#####	#####	7%	305,800.0	
Other services, except public administration	#####	#####	6%	531,500.0	
Government and government enterprises	#####	#####	14%	481,000.0	
Federal, civilian	#####	#####	2%	27,000.0	
Military	#####	#####	1%	88,000.0	
State and local	#####	#####	11%	366,000.0	
State government	#####	#####	3%	27,000.0	
Local government	#####	#####	8%	339,000.0	

Source: BEA REIS 2003 CD Table CA25N

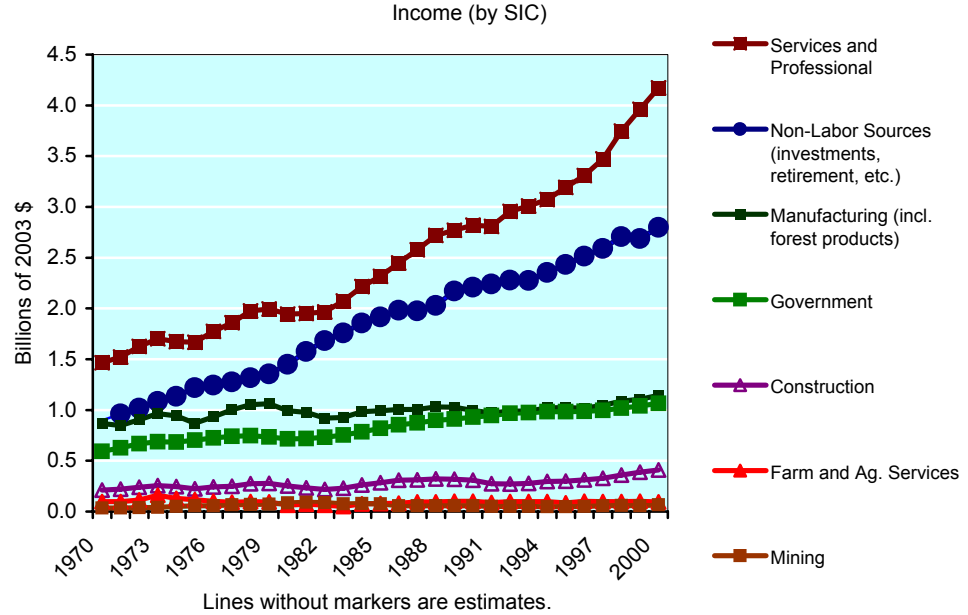
Data ends in 2000 because the BEA switched to a different classification system (NAICS) in 2001.

Growth

- The income category whose share of total gained the most was services and professional, which went from 37.1% in 1970 to 46.4% in 2000.

Decline

- The category whose share of total shrank the most was manufacturing (incl. forest products), which went from 21.9% in 1970 to 12.7% in 2000.



New Income by Type

All figures in millions of 2000 dollars	1970	% of Total	2000	% of Total	New Income 1970 to 2000	% of New Income	Change in Share
Total Personal Income*	3,947,601		8,999,196		5,051,595		
Farm and Agricultural Services	97,406	2.5%	94,526	1.1%	-2,880	NA	
Farm	82,814	2.1%	47,530	0.5%	-35,284	NA	
Ag. Services	14,592.0	0.4%	46,995.9	0.5%	32,404	1%	
Mining	34,504.7	0.9%	66,096.8	0.7%	31,592	1%	
Manufacturing (incl. forest products)	866,289	21.9%	1,144,158	12.7%	277,869	6%	
Services and Professional	1,465,740	37.1%	4,173,695	46.4%	2,707,955	54%	
Transportation & Public Utilities	236,037	6.0%	472,022	5.2%	235,985	5%	
Wholesale Trade	194,812	4.9%	433,972	4.8%	239,159	5%	
Retail Trade	353,892	9.0%	596,320	6.6%	242,429	5%	
Finance, Insurance & Real Estate	172,728	4.4%	687,465	7.6%	514,738	10%	
Services (Health, Legal, Business, Oth.)	508,272	12.9%	1,983,915	22.0%	1,475,644	29%	
Construction	210,836	5.3%	408,121	4.5%	197,284	4%	
Government	592,859	15.0%	1,063,815	11.8%	470,956	9%	
Non-Labor Income	898,996	22.8%	2,799,648	31.1%	1,900,651	38%	
Dividends, Interest & Rent	544,593	13.8%	1,641,558	18.2%	1,096,965	22%	
Transfer Payments	354,404	9.0%	1,158,090	12.9%	803,686	16%	

* Estimates for data that were not disclosed are bold and red in the above table.

*The sum of the above categories do not add to total due to adjustments made for place of residence and personal contributions for social insurance made by the U.S. Department of Commerce.

Source: BEA REIS 2003 CD Table CA05

United States

Personal Income (NAICS)

Growth

- The income category whose share of total gained the most was government and government enterp., which went from 12.0% in 2001 to 12.7% in 2003.

Decline

- The income category whose share of total shrank the most was professional and technical services, which went from 7.3% in 2001 to 7.1% in 2003.

Income by Industry (NAICS) Changes from 2001 to 2003 Share of Total

Category	2001	2003	2003 Share of Total	New Income	Change in Share of Total (2003 - 2001)
Personal income	9,056,615.6	9,151,693.8	100%	95,078.2	
Wage and salary disbursements	5,132,409.3	5,098,695.2	56%	(33,714.1)	
Proprietors' income	804,298.2	837,426.0	9%	33,127.8	
Farm proprietors'	22,789.6	25,159.0	0%	2,369.4	
Nonfarm proprietor	781,508.6	812,267.0	9%	30,758.5	
Farm earnings	44,479.0	45,594.0	0%	1,115.0	
Nonfarm earnings	6,924,870.5	7,068,156.9	77%	143,286.4	
Private earnings	5,835,331.8	5,904,169.0	65%	68,837.1	
Forestry, fishing, related act., and oth.	26,995.3	26,962.0	0%	(33.3)	
Mining	62,507.0	56,509.0	1%	(5,998.0)	
Utilities	73,037.9	73,585.0	1%	547.1	
Construction	424,491.4	430,782.0	5%	6,290.6	
Manufacturing	968,812.5	954,525.0	10%	(14,287.5)	
Wholesale trade	364,560.0	365,248.0	4%	688.0	
Retail Trade	475,130.4	483,598.0	5%	8,467.6	
Transportation and warehousing	244,651.4	231,926.0	3%	(12,725.4)	
Information	295,669.6	276,104.0	3%	(19,565.6)	
Finance and insurance	525,150.1	531,843.0	6%	6,692.9	
Real estate and rental and leasing	162,946.5	175,768.0	2%	12,821.5	
Professional and technical services	665,594.8	647,068.0	7%	(18,526.8)	
Management of companies & enterp.	145,938.7	145,304.0	2%	(634.7)	
Administrative and waste services	249,257.1	254,628.0	3%	5,370.9	
Educational services	84,805.2	93,434.0	1%	8,628.8	
Health care and social assistance	605,889.9	670,247.0	7%	64,357.1	
Arts, entertainment, and recreation	72,202.6	77,378.0	1%	5,175.4	
Accommodation and food services	186,656.6	195,271.0	2%	8,614.4	
Other services, except public admin.	201,034.8	213,989.0	2%	12,954.2	
Government and government enterp.	1,089,538.7	1,163,988.0	13%	74,449.2	
Federal, civilian	209,728.8	219,213.0	2%	9,484.2	
Military	88,165.2	109,607.0	1%	21,441.8	
State and local	791,644.7	835,168.0	9%	43,523.3	
State government	222,773.0	231,580.0	3%	8,807.0	
Local government	568,871.7	603,588.0	7%	34,716.3	

Source: BEA REIS 2003 CD Table CA05N

Data Sources

Data for this profile were obtained from four sources:

- Regional Economic Information System (REIS CD-ROM) of the Bureau of Economic Analysis, U.S. Department of Commerce.
- Bureau of Labor Statistics, U.S. Department of Labor.
- County Business Patterns, Bureau of the Census, U.S. Department of Commerce.
- Bureau of Census, U.S. Department of Commerce.

The Economic Profile System was designed to focus on long-term trends at the county level. We used this method and geographic scale for several reasons: (1) trend analysis provides a more comprehensive view of change than spot data for select years, (2) the most reliable information on long-term employment and income trends is available at the county level, and (3) communities within counties rarely function as economic units themselves. Finally, even though in many areas the most accurate geographic scale to understand economic changes may be at the multi-county or regional level, county-level data is useful in the context of existing political jurisdictions, such as county commissions and planning departments. The list below contains the World Wide Web sites and telephone numbers for the databases used in this report:

- Bureau of Economic Analysis:
<http://www.bea.doc.gov>; Tel. 202-606-9600
- Bureau of Labor Statistics:
<http://stats.bls.gov:80/bls/home>; Tel. 202-606-5886
- Bureau of Census:
<http://www.census.gov>; Tel. 303-969-7750
- University of Virginia, Geospatial and Statistical Data Center:
<http://fisher.lib.virginia.edu>; Tel. 804-982-2630

Use of Federal Rather than State Data Bases

Data from state agencies was not used for this profile. Many of the state and local sources of data do not include information on the self-employed or on the importance of non-labor income, such as retirement income and money earned from past investments. In many counties this can result in the underestimation of employment and total personal income by at least one third. The REIS disk of the Bureau of Economic Analysis contains the most robust data set and for this reason it was used as the primary source.

The only disadvantage of the REIS dataset is it's not as recent; 2003 is the latest for REIS, while state data sources provide data for as recent as 2003 and in some instances 2004. By providing long-term trends data, from 1970 to 2003, having the most recent data is less important than being able to discern where the county's economy has been, and the direction in which it has been headed in recent years.

The Standard Industrial Classification (SIC) System

Employment and income information is organized by the US Department of Commerce according to the Standard Industrial Classification (SIC) code. Industries are classified in broad categories (e.g., Farm), sub-categories (e.g., Agricultural production - crops), and progressively finer levels of detail (e.g., Ag. Production – cash grains). For a detailed description of SIC codes consult *The Standard Industrial Classification Manual* (National Technical Information Service, order no. PB-100012, Tel. 703-487-4600).

Services

Since much of the growth in labor earnings in the U.S. economy over the last two decades has been in "services," it should be noted that the term is defined in various ways by different researchers. Some economists define services broadly as "all output that does not come from the four goods-producing sectors: agriculture, mining, manufacturing, and construction."^[1] The U.S. Department of Commerce defines services more narrowly as major groups 70-89 of the SIC code.^[2] However, even their restricted classification includes a wide variety of sectors, ranging from hotels and lodging, and social services to business services, and engineering and management services.

[1] E. Ginzberg and G.J. Vojta. 1981. "The Service Sector in the U.S. Economy." *Scientific American*. 244 (3): 48-55.

[2] SIC codes 70-89 are: Hotels, Lodging and Other Places, Personal Services, Business Services, Auto Repair, Miscellaneous Repair Services, Motion Pictures, Amusement and Recreation Services, Health Services, Legal Services, Educational Services, Social Services, Museum Services, Museums, Botanical, and Zoological Services, Engineering and Management Services, Private Households, and Services Not Elsewhere Classified.

In this profile, we define services broadly as “Services and Professional” industries, and then also into categories -- such as producer, consumer, social and government services -- to gain a clearer picture of where service growth is taking place. We use the term “Services and Professional” to underscore an important point: service occupations are not just “hamburger flippers and maids,” but rather consist of a combination of high-paying and low-paying professions, mixing physicians with barbers, and chambers maids with architects and financial consultants.

According to economist Lester Thurow, “Services is simply too heterogeneous to be an interesting category. The real issue is not the growth of services but whether the economy is making a successful transition from low-wage, low-skill industries ... to high-wage, high-skill industries.”^[1] One way to gauge this is to follow the long-term trends in average earnings per job.

A Transition from SIC system to NAICS: An Important Precaution on the Interpretation of Economic Trend Data.

The long-term historic industry data used in this profile are based on data that is organized by the U.S. Department of Commerce using the Standard Industrial Classification (SIC) system. In recent years, the Department of Commerce has reorganized economic data according to a new system, called the North American Industry Classification System (NAICS, pronounced “nakes”). County Business Patterns started organizing their data using new NAICS in 1998, Census in 2000, and the Regional Economic Information System (REIS) in 2001.

The NAICS system is an improvement to the SIC system in several ways: first, businesses that use similar processes to produce goods or services are classified together. Previously, under the SIC system, some businesses were classified on the basis of their production processes while others were classified under different principles, such as class of consumer. Second, NAICS is a flexible system that will be updated every five years in order to keep pace with changes in the economy. Third, the NAICS system recognizes the uniqueness and rising importance of the “information economy,” and provides several new categories, such as cable program distributors and database and directory publishers. Finally, and perhaps the most useful, the NAICS system provides seven sectors to better reflect services-producing businesses that were previously combined into one generic SIC division (the Services division).

This new system allows the data user to differentiate more clearly between what was previously often lumped under the general heading of “services,” into categories such as arts and entertainment; education; professional, scientific and technical services; health care and social assistance, among others.

Arguably the most important change of NAICS is the recognition of hundreds of new businesses in the economy. NAICS divides the economy into 20 broad sectors rather than the SIC’s 10 divisions as seen in the table on the following page. Creating these additional sector-level groupings allows NAICS to better reflect key business activities, as well as chronicle their changes.

[1] Lester Thurow, *The Future of Capitalism* (New York: William and Morrow and Company), p. 71.

SIC Divisions vs. NAICS Sectors

SIC Divisions	NAICS Sectors
<ul style="list-style-type: none"> Agriculture, Forestry, and Fishing 	<ul style="list-style-type: none"> Agriculture, Forestry, Fishing and Hunting
<ul style="list-style-type: none"> Mining 	<ul style="list-style-type: none"> Mining
<ul style="list-style-type: none"> Construction 	<ul style="list-style-type: none"> Construction
<ul style="list-style-type: none"> Manufacturing 	<ul style="list-style-type: none"> Manufacturing
<ul style="list-style-type: none"> Transportation, Communications, and Public Utilities 	<ul style="list-style-type: none"> Utilities Transportation and Warehousing
<ul style="list-style-type: none"> Wholesale Trade 	<ul style="list-style-type: none"> Wholesale Trade
<ul style="list-style-type: none"> Retail Trade 	<ul style="list-style-type: none"> Retail Trade Accommodation and Food Services
<ul style="list-style-type: none"> Finance, Insurance, and Real Estate 	<ul style="list-style-type: none"> Finance and Insurance Real Estate and Rental and Leasing
<ul style="list-style-type: none"> Services 	<ul style="list-style-type: none"> Information Professional, Scientific, and Technical Services Administrative and Support and Waste Management and Remediation Services Educational Services Health Care and Social Assistance Arts, Entertainment, and Recreation Other Services (except Public Administration)
<ul style="list-style-type: none"> Public Administration 	<ul style="list-style-type: none"> Public Administration
<ul style="list-style-type: none"> None (previously, categories within each division) 	<ul style="list-style-type: none"> Management of Companies and Enterprises

Non-Labor Income

Non-labor income is a mix of Dividends, Interest, and Rent (money earned from past investments), and Transfer Payments (government payments to individuals). Private pension funds (e.g. 401(K) plans) are not counted as part of transfer payments.

Some data sources, such as “Section 202” data available from state unemployment insurance records and reported by the Bureau of Labor Statistics, do not report non-labor income. The Bureau of Economic Analysis (BEA), on the other hand, tracks non-labor income. In order to understand the actual growth (labor and non-labor) of personal income, the REIS/BEA data set must be used, and this is what was used for this profile.

Disclosures

Some data, such as employment and income figures in counties with small economies, are not available because of confidentiality restrictions. In order to protect information about individual businesses, data are sometimes suppressed or, in the case of the publication *County Business Patterns*, a range of values are given instead of a specific value. Generally, the smaller the geographic level of analysis or the smaller the economy under examination the higher the chances that industry-specific information will be suppressed.

In some of the profiles a few disclosure restrictions were encountered. Sometimes *County Business Patterns* data was used to estimate data where disclosures exist in the REIS/BEA database. In other instances the missing data was left blank, particularly if doing so has little effect on the ability to discern long-term trends. In other cases, where data was missing for one or two years, a rolling average was used to estimate the data gaps. In each case where disclosures were estimated, annotations were made in the Excel files.

Adjustments from Current to Real Dollars

Because a dollar in the past was worth more than a dollar today, data reported in current dollar terms should be adjusted for inflation. The U.S. Department of Commerce reports personal income figures in terms of current dollars. All income data in this profile were adjusted to real (or constant) 2003 dollars using the Consumer Price Index, except the Income Distribution information on page 5 of the profile.

Unemployment Rate

Unemployment is generally available as seasonally unadjusted or adjusted, and there is an advantage to using adjusted data. From the Bureau of Labor Statistics web site (<http://stats.bls.gov/lauseas.htm>), an explanation of why adjusted figures should be used, whenever possible: "Over the year, the size of the Nation's labor force, the levels of employment and unemployment, and other measures of labor market activity undergo sharp fluctuations due to seasonal events including changes in weather, harvests, major holidays, and the opening and closing of schools. Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make it easier to observe the cyclical, long term trend, and other non-seasonal movements in the series."

Unadjusted numbers were used in this profile in order to obtain an annual average and because county-level data are not available in adjusted format from the Bureau of Labor Statistics web site. This may introduce some error in counties where the size of the workforce fluctuates seasonally, such as tourist destination areas.

Farm Income Footnote:

Note that farm income figures on pages 28, 30 & 31 are not the same. In brief, the figures on page 28 (see table) reflect income from farming *enterprises* (farm proprietors and corporate income), while the farm figure on pages 30 & 31 (see table) indicates personal income earned by *individuals* (both proprietors, and wage and salary employees) who work in farming.

Note also that the term "farm" includes farming and ranching, but not agricultural services such as supplying soil preparation services and veterinary and other animal services – see table on page 9.

Farm income on page 28 is calculated as follows:

Total cash receipts and other income
less: Total production expenses
Realized net income
plus: Value of inventory change
Total net income including corporate farms

Farm income on pages 30 & 31 is calculated as follows:

Total net income including corporate farms
less: Net income of corporate farms
plus: Statistical adjustment
Total net farm proprietors' income
plus: Farm wages and perquisites
plus: Farm other labor income
Total farm labor and proprietors' income

Specialization Index

The specialization index was calculated as:

$$\text{SPECIAL}_{it} = \sum_{j=1}^{\pi} (\text{EMP}_{ijt}/\text{EMP}_{it})^2$$

SPECIAL_{it} = specialization of economy in county i in year t

EMP_{ijt} = employment in industry j in county i in year t

EMP_{it} = total employment in county i in year t

π = number of industries

This index is commonly used as a measure of industrial specialization in the economy. Counties with a high specialization index can also be described as not being economically diverse.

Mean, Median and Modes

mean

The sum of a list of numbers, divided by the total number of numbers in the list.

median

"Middle value" of a list. The smallest number such that at least half the numbers in the list are no greater than it. If the list has an odd number of entries, the median is the middle entry in the list after sorting the list into increasing order. If the list has an even number of entries, the median is equal to the sum of the two middle (after sorting) numbers divided by two. The median can be estimated from a histogram by finding the smallest number such that the area under the histogram to the left of that number is 50%.

mode

For lists, the mode is the most common (frequent) value. A list can have more than one mode. For histograms, a mode is a relative maximum ("bump").

Income:

- Total Personal Income = private earnings, income from government and government enterprises, dividends, interest, and rent, and transfer payments plus adjustments for residence minus personal contributions for social insurance.
- Wage and salary = monetary remuneration of employees, including employee contributions to certain deferred compensation programs, such as 401K plans.
- Other labor income = payments by employers to privately administered benefit plans for their employees, the fees paid to corporate directors, and miscellaneous fees.
- Proprietors' income = income from sole proprietorships, partnerships, and tax-exempt cooperatives. A sole proprietorship is an unincorporated business owned by a person. A partnership is an unincorporated business association of two or more partners. A tax-exempt cooperative is a nonprofit business organization that is collectively owned by its members.

Transfer Payments:

- Transfer payments = payments to persons for which they do not render current services. As a component of personal income, they are payments by government and business to individuals and nonprofit institutions.
- Retirement & disab. insurance benefit payments = Old-Age, Survivors, and Disability Insurance payments (Social Security), Railroad Retirement and Disability payments, Federal Civilian Employee & Disability Payments, Military Retirement, and State and Local Government Employee retirement payments.
- Medical payments = Medicare, public assistance medical care and CHAMPUS payments.
- Income maintenance (welfare) = Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), Food Stamps, and Other Income Maintenance Payments, such as emergency assistance, foster care payments and energy assistance payments.
- Unemployment insurance benefit payments = unemployment compensation for state and federal civilian employees, unemployment compensation for railroad workers, and unemployment compensation for veterans.
- Veterans benefits = primarily compensation to veterans for their disabilities and payments to their survivors.
- Federal education and training assistance = Job Corps payments, interest payments on Guaranteed Student Loans, federal fellowship payments, and student assistance for higher education.
- Other government payments = compensation of survivors of public safety officers and compensation of victims of crime. In Alaska this item includes Alaska Permanent Fund payments.
- Payments to nonprofit institutions = payments for development and research contracts. For example, it includes payments for foster home care supervised by private agencies.
- Business payments to individuals = personal-injury liability payments, cash prizes, and pension benefits financed by the Pension Benefit Guarantee Corporation.